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**NOTE: CHANGE IN MEETING PLACE**

# CALENDAR
## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

SEP

WEDNESDAY, SEPTEMBER 5, 1990 - 2:00 P.M. LEGISLATIVE CHAMBER

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

CLERK: JONI LANDRY

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 64-90-34. [Lease of Property] Resolution authorizing amendment of lease of real property at 1095 Market Street, for the Human Rights Commission and Commission on the Status of Women. (Real Estate Department)

   b) File 94-90-9. [Grant - Federal Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend $15,540,272 of UMTA Section 9 Formula Assistance and $3,885,068 from State Transit Capital funds or Regional local match funds such as State Transit Assistance funds, Bridge Toll Net Revenue, Gas Tax Revenues, Hetch Hetchy funds, Transit Impact Development Fee Revenues, the San Francisco Municipal Railway Improvement Corporation, and/or the San Francisco County Sale Tax Revenue for seven Municipal Railway projects. (Public Utilities Commission)

   c) File 94-90-10. [Grant - Regional Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend up to $3.3 million of Bridge Toll Net funds for SFMRIC Lease Payments and $52.1 million of Regional funds such as Urban Mass Transportation Administration Sections 8 and 9, Transportation Development Act (TDA) Articles 3, 4, 8 and 4.5, AB1107 half-cent sale tax, and approximately $1.5 million of Bay Area Rapid Transit District funds for 1990-91 Municipal Railway operations and capital improvements. (Public Utilities Commission)

ACTION:

3 1223 05718 3056

REGULAR CALENDAR

. File 172-90-18. [Public Works Mutual Aid Agreement] Ordinance providing for an agreement for Public Works Mutual Aid between cities, counties or state agencies throughout California to supply from one such political subdivision to another emergency personnel, equipment and facility assistance in times of a major disaster; approving hold harmless provision in the agreement; authorizing Mayor to execute agreement; designating the Director of the Department of Public Works as coordinator for City and County of San Francisco under the agreement; and reciting the estimated costs of such agreement. (Department of Public Works).

ACTION:

. File 101-90-8. [Government Funding] Ordinance appropriating $7,043,330, Chief Administrative Officer - Moscone Center, for capital improvement project (Moscone Expansion Construction); placing $7,043,330 on reserve. RO #90038. (Controller)

ACTION:

. File 23-90-3. [Claim Against the Government] Resolution waiving the Statute of Limitations with respect to payment of certain warrant of the City and County of San Francisco, payable to Teamster Automotive Employees Union in the sum of $1,226.50, a legal obligation of the City and County of San Francisco. (Controller)

ACTION:

. File 100-90-8. Hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health, social services and criminal justice departments, as well as the poor and infirmed in our City. (Supervisors Walker, Britt, Hallinan, Alioto, Gonzalez and Ward)

(Continued from 8/22/90.)

ACTION:

0008c

FINANCE COMMITTEE
BOARD OF SUPERVISORS
ROOM 235, CITY HALL
SAN FRANCISCO, CALIFORNIA 94102

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HEARING NOTICE

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

## BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 5, 1990

**TO:** Finance Committee

**FROM:** Budget Analyst

DOCUMENTS DEPT.
SEP

**SUBJECT:** September 5, 1990 Finance Committee Meeting.

Item 1a - File 64-90-34

| | |
|---|---|
| **Department:** | Real Estate Department<br>Human Rights Commission<br>Commission on the Status of Women |
| **Item:** | Resolution authorizing an amendment of an existing lease of real property. |
| **Location:** | 1095 Market Street (portion of fourth floor and the entire fifth floor) |
| **Purpose of Lease:** | Office Space |
| **Lessor:** | Market Street Associates |
| **No. of Sq. Ft. and Cost/Month:** | 5,232 sq. ft. @ $1.19 sq. ft./month = $6,240 |
| **Annual Cost:** | $74,880 |
| **% Increase Over 1989-90:** | None |
| **Utilities and Janitorial Provided by Lessor:** | Yes |
| **Term of Lease:** | The term of the lease would be extended for the period July 1, 1990 through December 31, 1990. |

**Right of Renewal:** Beginning January 1, 1991, the City would have the option to extend the lease, on a month-to-month basis, for a maximum of six months.

**Comments:**

1. On December 20, 1989 the Board of Supervisors approved a new lease for office space at 25 Van Ness Avenue, for the Human Rights Commission (HRC) and the Commission on the Status of Women (File 64-89-40). Ms. Claudine Venegas of the Real Estate Department, reports that HRC and the Commission on the Status of Women were scheduled to relocate to these new premises by no later than July 1, 1990. However, according to Ms. Venegas, the Departments were unable to relocate as scheduled because, effective June 13, 1990, foreclosure proceedings were initiated against the property at 25 Van Ness Avenue. Ms. Venegas advises that the financial and legal uncertainties which now surround the 25 Van Ness Avenue property, preclude the terms of the lease being carried out. Therefore, the Human Rights Commission and the Commission on the Status of Women continue to occupy the office space at 1095 Market Street. The Real Estate Department is now in the process of exploring other lease options for the HRC and the Commission on the Status of Women. According to Ms. Venegas, the Department of Real Estate is currently considering the possibility of leasing space at 1170 Market Street. Ms. Venegas reports that if the Department is successful in negotiating a lease for space at the 1170 Market Street site, the HRC and the Commission on the Status of Women could potentially relocate by January 1, 1991.

2. Of the 5,232 sq. ft. of space at 1095 Market Street, the HRC occupies 4,568 sq. ft. and the Commission on the Status of Women occupies 664 sq. ft. However, the current lease for the property only lists the HRC as tenant because, at the time that the lease was originally negotiated in 1986, the Commission on the Status of Women was a departmental component of the HRC. The proposed legislation, in recognition of the fact that the Commission on the Status of Women is now an independent department, would amend the lease to allocate 664 sq. ft. of space and $792 of the total monthly rental cost to the Commission on the Status of Women.

3. The Real Estate Department reports that the proposed monthly rental amount of $6,240 represents the fair market rental of the space to be leased. The rental rate of $1.19 per square foot and the total office space of 5,232 square feet continue to be the same rate charged and the same number of square feet occupied by the HRC and the Commission on the Status of Women.

**Recommendation:** Approve the proposed resolution.

Item 1b - File 94-90-9

**Department:** Public Utilities Commission (PUC)
Municipal Railway (MUNI)

**Item:** Resolution authorizing the Public Utilities Commission (PUC) to apply for, accept, and expend Federal Urban Mass Transit Administration (UMTA) Section 9 formula assistance, and apply for, accept and expend local matching funds such as bridge toll net revenues, gas tax revenues, Hetch Hetchy funds, Transit Impact Development Fee revenues, San Francisco Municipal Railway Improvement Corporation (SFMRIC) funds and/or San Francisco County sales tax revenues.

**Amount of Grants:**

| | |
|---|---|
| UMTA Section 9 Capital Assistance (80%) | $15,540,272 |
| Match from local funding sources as noted above (20%) | 3,885,068 |
| Total | $19,425,340 |

**Source of Grant:** Federal UMTA Section 9 formula assistance

**Grant Period:** October 1, 1990 through September 30, 1991 (Federal FY)

**Project Description:** The Municipal Railway (MUNI) projects included in this UMTA grant application are all identified as near-term priorities in the Municipal Railway Short Range Transit Plan and Capital Improvements Program. Seven projects are identified and described as follows:

Fixed-Facility Rehabilitation $8,342,600

These include Physical Plant improvements ($950,000), industrial safety improvements ($3,000,000), trolley system improvements ($600,000), Metro System improvements ($2,892,600), and cable car enhancements ($900,000).

Misc. Maintenance and Equipment $1,430,625

This project includes the purchase of new equipment needed on an on-going basis for the continued operation of MUNI's transportation, maintenance, and administrative functions. This equipment would be identified later from a list entitled "Municipal Railway Equipment Request - Other Equipment" as prepared by PUC staff (Attachment 1).

Non-Revenue Vehicles $911,630

This project also includes the purchase of new non-revenue vehicle and related equipment needed on an on-going basis for the continued operation of MUNI's transportation, maintenance, and administrative functions. The items include non-revenue vehicles (sedans and trucks) not provided under other special capital programs or projects. The vehicles would be identified later from a list entitled "Municipal Railway Equipment Request - Vehicles" as prepared by PUC staff (Attachment 2).

Data Processing and Office Equipment $1,093,955

MUNI will acquire personal computers to support the planning, engineering, administrative, and management needs. Presently, PUC and MUNI administrative and professional staff do not have uniformly dedicated personal computers available. The proposed computers, related software, and office equipment are considered essential to support the organizational objectives of the PUC and MUNI. The data processing and office equipment would be identified later from a list entitled "Municipal Railway Equipment Request - Data Processing" as prepared by PUC staff (Attachment 3).

During FY 1990-91 MUNI will develop and implement a Facility Maintenance Management System. Such a system will provide management on-going information on routine maintenance activities in a consistent and systematic fashion. The system will use off-the-shelf technology to support the necessary preventive maintenance functions vital to MUNI's operational requirements. The system will provide maintenance schedules, the tracking of staff availability and allocation and routine maintenance reporting capabilities. The system will include a tie-in to the already developed Materials Management System to monitor inventory control, spare parts, and consumable stocking levels, and will generate work orders and initiate management feedback.

F-Market Streetcar (PCC) Renovation $3,290,790

A total of ten (10) PCC streetcars are proposed for renovation with these funds. The project would begin by October of 1991, and is scheduled for completion by September of 1992. An additional ten (10) PCC streetcars were previously funded for renovation. Service plans for the F-Market-Embarcadero line indicate that 26 PCC streetcars would be necessary to meet service demands in the mid-

1990s. Under these circumstances, an additional six PCC streetcars will be proposed for renovation in FY 1994-95.

Trolley Overhead Reconstruction, Mission St $3,793,870

The reconstruction work consists of the replacement of all of the worn out components such as the intersection special work switches, crossings, curve segments, trolley wire, and certain of the trolley poles and tangent spans which have deteriorated beyond repair. Street lights, traffic signals and trolley overhead facilities will be consolidated on single poles where feasible and where such consolidation will result in the removal of excess poles. Construction on Mission Street is scheduled to start in March of 1991 and completion is expected by February of 1995.

24th and Utah Maintenance Shop Replacement Facility $561,870

This project provides for a continuation of plans and engineering requirements for the replacement of the 24th and Utah Shops on a site which still has not been determined. The project still provides for the relocation of the functions now housed at 24th and Utah Streets in the Mission District. The project also provides for the construction of a new shop that can accommodate the needs of the Facilities Maintenance Way and Structures Section within MUNI's Maintenance Division. Construction activities are scheduled to start in April of 1993, after the acquisition of a new site.

**Comments:**

1. The proposed $19,425,340 in capital funds for 1990-91 represents a decrease of $2,714,260 or approximately 12.3 percent less than the $22,139,600 that MUNI received in 1989-90 from UMTA Section 9 funds and local matching fund sources.

2. PUC has budgeted $2,342,255 ($1,430,625 for the purchase of miscellaneous equipment and $911,630 for the purchase of non-revenue vehicles) based on the attached lists of departmental requests which identifies a total cost of $4,555,457 (Attachments 1 totals $2,898,615 and Attachment 2 totals $1,656,842). According to Ms. Kathleen Kelly of PUC, at a later time, both MUNI and PUC would review the lists and prioritize the equipment and vehicular items for acquisition from the available funds identified in this legislation. Until that review is made, the funds for this project should be reserved.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. PUC has budgeted $1,093,955 for the purchase of data processing and office equipment based on the attached list of departmental requests which identifies a total $1,268,445 for data processing equipment (Attachment 3). According to Ms. Kelly, the Electronic Information Processing Steering Committee (EIPSC) has not completed its review and made recommendations regarding this project. Until EIPSC completes its review, funds for this project should be reserved.

4. In summary, funds from three project items in the proposed legislation should be reserved as follows:

| | |
|---|---|
| Miscellaneous Maintenance and Equipment | $1,430,625 |
| Non-Revenue Vehicles | 911,630 |
| Data Processing and Office Equipment | 1,093,955 |
| Total | $3,436,210 |

**Recommendation:** Amend the proposed resolution by reserving $3,436,210 as identified in Comment 4, and approve the proposed resolution as amended.

Municipal Railway Equipment Request

Other Equipment

| | | | |
|---|---|---|---|
| 83 | Testers | | |
| 310 | Portable Handicapped Ramp | 1 | 505 |
| 185 | VHS Player | 5 | 3,000 |
| 187 | VCR Editing - | 1 | 3,850 |
| 188 | AB - 6500 | | |
| 189 | VHS Camcorder | 1 | 3,300 |
| 191 | Typewriter, | 3 | 4,800 |
| 192 | Wheelwriter | | |
| 330 | Truck | 3 | 60,990 |
| 370 | Typewriter | 1 | 1,630 |
| 383 | Storage Cabinet | 3 | 1,500 |
| 181 | Cabinets, Video | 2 | 2,600 |
| 182 | Equipment | | |
| 350 | Blue Print Files | 1 | 2,700 |
| 351 | Lateral File Cabinets | 4 | 2,000 |
| 352 | Vertical File Cabinets | 6 | 2,150 |
| 353 | Stand-Print Files | 4 | 1,400 |
| 354 | High Storage Cabinet | 3 | 1,500 |
| 355 | Video Systems | 1 | 4,300 |
| 365 | Chart Recorder | 2 | 34,250 |
| 366 | Huntron-Tracker-Switcher | 1 | 3,225 |
| 368 | Power Supplies | 1 | 3,420 |
| 371 | LCR Metor | 1 | 1,530 |
| 372 | Vehicle Test Interface | 1 | 7,550 |
| 373 | Inverter | 2 | 3,300 |
| 374 | Power Supply | 1 | 8,600 |
| 375 | Digital Multimeters | 2 | 1,500 |
| 376 | Isolation Transformer | 1 | 775 |
| 377 | Transistor Tester | 1 | 775 |
| 378 | Dual Tracking Power Supply | 2 | 1,950 |
| 379 | Power Standard Supply | 2 | 4,950 |
| 380 | Electric Analog Multimeter | 2 | 600 |
| 381 | Service Monitor | 1 | 20,350 |
| 382 | Power Meters | 1 | 600 |
| 384 | Tapley Meter | 1 | 700 |
| 385 | Insulation Tester | 1 | 700 |
| 386 | Current-Power Probe | 1 | 500 |
| 389 | Accelerometer | 1 | 3,250 |
| 390 | Frequency Counter | 1 | 2,400 |
| 391 | Four Channel Chart Recorder | 1 | 6,700 |
| 393 | Inside-Outside Mocrometer | 1 | 550 |
| 394 | Vernier CAliper | 1 | 550 |
| 395 | Thickness Gauge | 1 | 2,000 |
| 396 | REal-Time Analyzer | 1 | 20,000 |
| 397 | Precision Photometer | 1 | 12,000 |
| 398 | Digi-Check Height Gauge | 1 | 3,000 |
| 399 | Surface Plate Stand | 1 | 750 |
| 400 | Granite Surface Plate | 1 | 3,210 |
| 401 | Millivolmeter | 1 | 2,200 |
| 402 | Oscilloscope | 1 | 3,600 |
| 12 | Bar Stock Storage | 1 | 1,800 |
| 13 | Rack | | |
| 19 | Broach Set, Minute | 1 Set | 300 |
| 20 | Man | | |

Municipal Railway Equipment Request

Other Equipment

| | | | |
|---|---|---|---|
| 117 | Machinists Vise | 1 | 1,320 |
| 119 | Drill Bit Sharpener | 1 | 2,750 |
| 120 | Surface Grinder | 1 | 13,200 |
| 121 | Blade Welder | 1 | 1,650 |
| 122 | Lathe | 1 | 110,000 |
| 123 | Air Compressor | 1 | 11,770 |
| 124 | Retractable Reels | 4 | 2,640 |
| 126 | Air Plasma Cutting System | 1 | 7,150 |
| 128 | Oily Water Separator | 1 | 6,600 |
| 129 | Pressure Washer | 1 | 1,320 |
| 4 | Circular Saw | 1 | 554 |
| 8 | 16^ Portable Saw | 1 | 479 |
| 27 | Nolan Track Jacks | 16 | 6,960 |
| 28 | Jackson-Jordan | 2 | 15,000 |
| 29 | Generator | | |
| 32 | Diesel Powered Welders | 2 | 12,780 |
| 36 | Hydraulic Track Jack | 2 | 4,630 |
| 37 | Pan Jack | 8 | 8,816 |
| 38 | Heavy Duty Toe Jack | 2 | 3,117 |
| 53 | Subway Tunnel Washer | 1 | 428,000 |
| 54 | Grout Pumping | 1 | 5,876 |
| 55 | Machine | | |
| 60 | 185 CFM Air Compres- | 2 | 34,080 |
| 61 | sor | | |
| 62 | 10 Ton Rail Dollies | 1 | 8,000 |
| 65 | 90 LB Jack Hammer | 3 | 3,000 |
| 66 | 60 Pneumatic Tie | 4 | 6,000 |
| 67 | Tamper | | |
| 68 | 60 LB Pneumatic Spike | 4 | 4,350 |
| 69 | Driver | | |
| 70 | Delta 10^ Uni Saw | 1 | 2,982 |
| 75 | Paint Sprayer | 1 | 1,598 |
| 81 | Pneumatic Nail Gun | 1 | 543 |
| 89 | Portable Oscilloscope | 2 | 6,206 |
| 95 | Industrial HEPA Vacuum | 1 | 1,601 |
| 127 | Portable Grease Pump | 1 | 990 |
| 118 | Floor Scrubber | 1 | 8,800 |
| 9 | 1.5^ Rotary Hammer | 2 | 1,712 |
| 35 | IBM Wheelwriter 10 | 1 | 1,000 |
| 71 | Delta 8^ Precision | 1 | 1,735 |
| 72 | Jointer | | |
| 73 | Delta 24^ Planer | 1 | 7,436 |
| 74 | Gap Bed Engine Lathe | 1 | 5,136 |
| 76 | Rockwell Doweling | 1 | 1,917 |
| 77 | Machine | | |
| 125 | Inverter Charger | 1 | 15,400 |
| 215 | Radio Transmitter/ | 2 | 1,666 |
| 216 | Receiver - Portable | | |
| 315 | Portable Radios-Handy Talkie | 18 | 30,328 |
| 329 | Portable Radio | 12 | 38,520 |
| 92 | Safety Grounds | 2 | 1,712 |
| 97 | High Line Tester | 1 | 696 |
| 98 | Heat Scanner | 1 | 2,989 |
| 82 | Gas and Oxygen | 3 | 7,503 |

Other Equipment

| Rec # | Description | Units | Cost |
|---|---|---|---|
| 7 | Delta Stock Feeders | 2 | 948 |
| 328 | Wheelwrite 6 | 1 | 2,140 |
| 347 | Cellular Telephone | 12 | 22,000 |
| 106 | Hydraulic Wire Rope Cutter | 1 | 8,800 |
| 108 | Air Tugger | 1 | 2,750 |
| 109 | Electric Chain Hoist | 1 | 3,300 |
| 110 | Chain Saw Mortiser | 1 | 4,730 |
| 111 | Wood Planer | 1 | 4,950 |
| 112 | Oscillating Spindle Sander | 1 | 2,420 |
| 115 | Grinder Buffer | 1 | 1,100 |
| 199 | H.P. 9836A Instru- | | 9,607 |
| 200 | ment Controller | | |
| 201 | Tektronix 50MHZ | 1 | 7,115 |
| 202 | Oscilloscope (#336A) | | |
| 208 | Tektronix Model 2211 | 2 | 8,654 |
| 209 | Oscilloscope | | |
| 210 | Insulation Tester | 1 | 3,202 |
| 211 | Tektronix Illumina- | 1 | 713 |
| 212 | tion Probe | | |
| 221 | Capacitor - Inductor | 1 | 2,232 |
| 222 | Analyzer w/SCR and | | |
| 223 | Trial Test Accessory | | |
| 227 | Fluke Function Gene- | 1 | 2,475 |
| 228 | rator Model #5133 S | | |
| 229 | Phillips Model #PM | 1 | 892 |
| 230 | 669-011 Universal | | |
| 231 | Frequency Counter | | |
| 232 | Kepco 55 Volt, 10 | 1 | 1,832 |
| 233 | AMP Power Supply | | |
| 234 | Kepco 100 Volt, 10 | 1 | 2,787 |
| 235 | AMP Power Supply | | |
| 236 | Megohmeter | 1 | 702 |
| 237 | Wayne Engineering | 1 | 1,062 |
| 238 | Printed Circuit | | |
| 239 | Ammeter | | |
| 295 | Band Saw, Vertical | 1 | 12,840 |
| 296 | Countour | | |
| 297 | Pattern - Plasma | 1 | 4,500 |
| 298 | Cutting System | | |
| 5 | Wood Shaper | 1 | 607 |
| 6 | Wood Lathe | 1 | 2,663 |
| 16 | Power Draw Bar | 1 | 600 |
| 17 | Dake Rachet Type | 2 | 1,400 |
| 18 | Arbor Press | | |
| 25 | Track Bolt Torquing | 2 | 12,600 |
| 26 | Machine | | |
| 104 | Vice, Riggers Forming | 1 | 4,400 |
| 105 | Wire Winch | 1 | 38,500 |
| 107 | Heavy Duty Air Compressor | 1 | 2,530 |
| 113 | Automatic Lube System | 1 | 11,000 |
| 114 | Hydraulic Lift Table | 1 | 1,650 |
| 116 | Carbide Grinder | 1 | 2,200 |

Municipal Railway Equipment Request

Other Equipment

| | | | |
|---|---|---|---|
| 21 | Wacker Vibrator | 2 | 3,215 |
| 22 | Plate | | |
| 23 | 1^ Drive Impact | 3 | 5,300 |
| 24 | Wrenches | | |
| 45 | High Pressure Steam | 1 | 29,430 |
| 46 | Washer | | |
| 47 | Air Compressor | 1 | 1,811 |
| 48 | Truck Mounted | | |
| 78 | Hydrolic Hand Pallet | 1 | 1,651 |
| 80 | Delta Sawbuck Saw | 1 | 799 |
| 130 | Fuel Injector Comparitor | 1 | 32,025 |
| 131 | Engine Connecting Rod Aligner | 1 | 5,338 |
| 132 | 2 Ton Coffing Crane Hoist | 4 | 7,259 |
| 133 | 20^ Production Press | 1 | 4,270 |
| 134 | Milling Table | 1 | 1,815 |
| 135 | Crankshaft Finishing Machine | 1 | 12,810 |
| 136 | Wheel Dollies | 12 | 15,372 |
| 137 | 5 Ton Hydraulic Jacks | 4 | 2,989 |
| 138 | 1^ Anvil Air Impact Wrench | 4 | 5,551 |
| 139 | Phone Fax Machine | 2 | 4,484 |
| 140 | Clark Ford Lift Gas | 1 | 32,025 |
| 141 | Micrometer Torque Wrench | 5 | 2,669 |
| 142 | Deluxe Metric Add On Set | 2 | 6,832 |
| 143 | Kenji Portable Steams Unit | 3 | 1,281 |
| 144 | Kent-moore ^Mag Tachometer | 5 | 4,804 |
| 145 | 5^ Bench Vises | 10 | 7,473 |
| 146 | 1 Ton Coffong Chain Hoist | 4 | 5,978 |
| 147 | 2 Ton Hydr. Transmission Stand | 4 | 8,540 |
| 148 | 1 Ton Mobile Hydr. Crane | 4 | 51,240 |
| 149 | Portable Floor Scrubbers | 3 | 38,430 |
| 150 | DDEC - Atec Cable Assembly | 6 | 2,882 |
| 151 | Atec Repair Kit | 6 | 6,405 |
| 152 | DDEC Repair Kit | 6 | 6,405 |
| 153 | DDEC Atec Diagnostic | 6 | 8,327 |
| 154 | Readers | | |
| 155 | 1 Set Elect Bus Lift | 1 | 56,364 |
| 156 | with Console | | |
| 157 | Heavy Duty Hydraulic | 2 | 10,675 |
| 158 | Lifting Table | | |
| 160 | Hydraulic Lift | 3 | 2,100 |
| 161 | Dollies | | |
| 162 | Steel Work Bench | 10 | 17,500 |
| 163 | Compressor Changing | 2 | 1,640 |
| 164 | Jack | | |
| 165 | Wheel Alignment Rack | 2 Set | 20,000 |
| 166 | Chain Hoist | 2 | 3,500 |
| 167 | Mobile Wheel Hoist | 2 | 5,200 |
| 168 | Transmission Jack | 2 | 5,500 |
| 169 | Asbestos Brake Drum | 4 | 8,600 |
| 170 | & Explosion Proof | | |
| 171 | Vacuum | | |
| 172 | 3/4^ Impact Gun | 2 | 1,600 |
| 174 | 15^ Drill Press | 1 | 2,500 |
| 175 | Induction Coil Tester | 1 | 6,000 |

Municipal Railway Equipment Request

Other Equipment

| | | | | |
|---|---|---|---|---|
| 176 | Bench Vises | | 2 | 950 |
| 177 | Typewriter | | 2 | 2,400 |
| 178 | Fax Machine | | 2 | 4,200 |
| 179 | Steel Work Bench | | 10 | 17,000 |
| 194 | Cabinet, Storage | | 12 | 20,848 |
| 196 | Spray Guns | | 8 | 4,280 |
| 197 | Portable Steam | | 1 | 4,280 |
| 198 | Cleaner | | | |
| 213 | Motorola Rapid Moni- | | 1 | 39,830 |
| 214 | toring System | | | |
| 217 | Surface Mount Solder | | 1 | 19,800 |
| 218 | Desoldering Station | | | |
| 219 | Pace Portable Desol- | | 1 | 600 |
| 220 | dering Station | | | |
| 240 | Time Lapse Video | | 1 | 2,035 |
| 241 | Recorder | | | |
| 242 | Ikagami Miniature | | 2 | 1,960 |
| 243 | Color Surveillance | | | |
| 244 | Cameras | | | |
| 245 | 26^ Monitor/Receiver | | 1 | 695 |
| 246 | VHS Hq. VCR | | 1 | 450 |
| 247 | VHS Hq. Camcorder | | 1 | 1,760 |
| 248 | Emer Roof Light Bar | | 3 | 1,977 |
| 249 | for Truck | | | |
| 250 | Portable Steam | | 1 | 3,207 |
| 251 | Cleaner | | | |
| 252 | Stationary Platform | | 2 | 19,000 |
| 253 | Hand Held Radios | | 5 | 11,395 |
| 254 | Charger for Item #4 | | 1 | 808 |
| 255 | Oscilloscope, Portable | | 2 | 5,243 |
| 256 | Tool Storage System | | 2 | 1,188 |
| 257 | Chest & Cabinet | | | |
| 258 | Oscilloscope and | | 1 | 6,965 |
| 259 | Battery Pack | | | |
| 260 | Astro Med Chart Re- | | 1 | 8,710 |
| 261 | corder & Accessories | | | |
| 262 | Brake Pressure Trans- | | 4 | 5,350 |
| 263 | ducers | | | |
| 264 | Insulation Tester | | 1 | 944 |
| 265 | (Megger) | | | |
| 271 | Portable IEM Wheel | | 2 | 24,100 |
| 272 | Gauge | | | |
| 273 | Floor Press, 20 Ton | | 1 | 3,000 |
| 274 | Pallet Truck, | | 1 | 700 |
| 275 | Hydraulic 4500 | | | |
| 276 | Lb Cap | | | |
| 277 | Vacuum Cleaner, As- | | 1 | 1,300 |
| 278 | bestos and Toxic Dust | | | |
| 279 | Kennametal Lathe | 1 Set | | 7,690 |
| 280 | Tooling | | | |
| 281 | Optical Comparator | | 1 | 9,930 |
| 282 | Rockwell Hardness | | 1 | 2,050 |
| 283 | Tester | | | |
| 284 | Outside Micrometer | | 1 | 810 |

Municipal Railway Equipment Request

Other Equipment

| | | | |
|---|---|---|---|
| 285 | Master | | |
| 286 | Depth Micrometer | 1 | 1,015 |
| 287 | Calibration Master | | |
| 288 | Air Vacuum | 1 | 1,598 |
| 289 | Expanding Mandrel Set | 1 Set | 600 |
| 290 | Intrimik Sets | 4 Sets | 9,195 |
| 291 | Rotary Positioner | 1 | 1,920 |
| 292 | Sunnen Model | 1 | 10,900 |
| 293 | LBB-1699 Honing | | |
| 294 | Machine | | |
| 301 | Scrubber, Floor, | | 18,000 |
| 302 | Self Propelled | | |
| 303 | Kit, Tool, Metric | | 4,000 |
| 304 | Tool Modules, Body | | 12,000 |
| 305 | Repair | | |
| 306 | Camera's, Video, | | 15,000 |
| 307 | Security | | |
| 314 | Facsimile machine | 1 | 3,388 |
| 319 | Fax Machine | 1 | 2,200 |
| 320 | Air Conditioner/Recircula | 1 | 2,800 |
| 321 | Portable RAdio w/accessories | 10 | 38,500 |
| 322 | Handheld Microphones | 25 | 4,125 |
| 323 | IBM Typewriter | 4 | 3,200 |
| 324 | Office Chairs | 10 | 4,950 |
| 326 | Microwave | 1 | 550 |
| 327 | Personal Lockers | 30 | 2,475 |
| 333 | Fax Machine | 1 | 2,140 |
| 339 | Fax Machine | 1 | 14,969 |
| 340 | Typewriter | 2 | 3,000 |
| 341 | Desk & File Cabinets | 4 | 2,000 |
| 342 | Executive Chairs | 36 | 19,728 |
| 343 | Back Posture Chairs | 14 | 16,000 |
| 344 | Lounge Chairs | 30 | 18,000 |
| 345 | Window Drapes | 15 | 8,000 |
| 999 | Repl. Radios for Non-Revenue Veh. | 300 | 700,000 |
| | sub-total Other | 648 | $2,898,615 |

Municipal Railway Equipment Request

Vehicles
========
Vehicles
========

| Rec # | Description | Units | Cost |
|---|---|---|---|
| 1 | 3/4 Ton Pick Up Truck | 1 | $15,975 |
| 2 | 3/4 Ton Pick Up Truck | 2 | 31,950 |
| 3 | with Utility | | |
| 10 | 1 Ton Van 5.8 Liter | 2 | 38,533 |
| 11 | Engine | | |
| 14 | 3/4 Ton Utility Body | 1 | 20,235 |
| 15 | Truck | | |
| 30 | Dump Truck 12 Yards | 1 | 81,000 |
| 31 | 1 Ton Dump Truck | 1 | 25,800 |
| 33 | 1 Ton Crew Cab Pick | 1 | 35,045 |
| 34 | Up Truck | | |
| 39 | 3/4 Ton Truck Utility | 1 | 19,500 |
| 40 | Body | | |
| 41 | 1/2 Ton Pick Up | 1 | 14,000 |
| 42 | Crossover | | |
| 43 | S-10 Pick Up Truck | 1 | 11,000 |
| 49 | 3/4 Ton Truck Utility | 1 | 20,250 |
| 50 | Body | | |
| 51 | 3/4 Ton Van with Rear | 1 | 18,105 |
| 52 | Door | | |
| 56 | 1 Ton Welding Truck | 1 | 25,000 |
| 57 | (Flat Bed) | | |
| 58 | 10 Wheel Flat Bed | 1 | 117,150 |
| 59 | Truck | | |
| 63 | 1 Ton Utility Body | 1 | 24,505 |
| 64 | Truck | | |
| 84 | 2 Door Subcompact | 1 | 11,770 |
| 85 | Vehicle (for 834) | | |
| 88 | Mini Van ( ) | 1 | 15,159 |
| 101 | 2 Ton Flat Bed Truck | 1 | 38,500 |
| 103 | 2 Ton Crew Cab Dump Truck | 1 | 38,500 |
| 180 | Auto, Passenger | 1 | 13,845 |
| 186 | Ford Van 1/2 Ton | 1 | 16,000 |
| 193 | Forklift, Electric | 1 | 17,840 |
| 309 | 3/4 Ton Cargo Van | 1 | 19,894 |
| 317 | 1/2 ton Pick-up truck | 1 | 11,000 |
| 318 | 4 door sedan | 4 | 48,400 |
| 346 | Class 7 Autos | 7 | 105,000 |
| 348 | Auto, V-6 & All-Wheel | 1 | 21,000 |
| 349 | Auto, V-6 & 3-Speed | 1 | 16,500 |
| 403 | Chevy Van | 1 | 20,000 |
| 44 | Cushman Model 464 | 1 | 12,100 |
| 79 | Truck | | |
| 86 | Digger and Boom | 1 | 129,168 |
| 87 | Truck(for 829) | | |
| 90 | Dump Truck (for 818) | 1 | 74,725 |
| 91 | 1/2 Ton Pick Up | 1 | 13,375 |
| 93 | Line Truck (805) | 1 | 170,266 |
| 96 | 1 Ton Flat Bed Truck | 1 | 20,603 |
| 99 | Hyrail Scissor Lift for Subway | 1 | 107,000 |

Municipal Railway Equipment Request

Vehicles

| | | | |
|---|---|---|---|
| 100 | Cable Car Pusher | 1 | 27,500 |
| 102 | Boom Truck | 1 | 27,500 |
| 173 | Road Call Pick Up w/ Air Compr. | 2 | 60,000 |
| 203 | 1 Ton Van with Hy- | 1 | 42,132 |
| 204 | draulic Bucket Lift | | |
| 205 | Radio Maintenance | 1 | 20,816 |
| 206 | Step Van | | |
| 267 | Truck, Pick Up, | 1 | 13,420 |
| 268 | 1/2 Ton | | |
| 269 | Truck, Flat Stake | 1 | 18,732 |
| 270 | Bed, 1 Ton | | |
| 300 | Truck Pick Up | | 12,000 |
| 331 | Auto | 1 | 16,050 |
| | sub-total Vehicles | 56 | 1,656,842 |

Data Processing

| Rec # | Description | Units | Cost |
|---|---|---|---|
| 207 | IBM Compatible P.C. | 6 | 25,620 |
| 224 | Toshiba Laptop Porta- | 6 | 21,195 |
| 225 | ble Instrument Con- | 0 | 0 |
| 226 | troller | 0 | 0 |
| 266 | Data Logger System | 3 | 41,730 |
| 311 | Fax Card-Computer Board | 3 | 3,285 |
| 312 | Document Scanner | 3 | 9,120 |
| 313 | Dialup Modem | 3 | 2,385 |
| 316 | Video Telecon Comp Hardware | 15 | 0 |
| 325 | PC, Monitor & Printer | 6 | 99,000 |
| 334 | Micro-Computer | 9 | 327,420 |
| 335 | Data Collector | 15 | 63,900 |
| 336 | Laser Printer Fonts | 3 | 7,656 |
| 337 | Planning Software | 6 | 171,300 |
| 338 | VAX Document Processing | 3 | 130,968 |
| 356 | PC & Printer | 3 | 32,400 |
| 357 | Instrument Plotter | 3 | 16,200 |
| 358 | Data Acqu & Display Software | 3 | 4,575 |
| 359 | Data Acquisition Mainframe | 3 | 10,050 |
| 360 | Analog Input & A/D Converter Card | 3 | 4,575 |
| 361 | Keithly Analog Input Card | 3 | 3,705 |
| 362 | Houston Instrument 6 Pen | 3 | 3,300 |
| 363 | Digitizer | 9 | 4,950 |
| 364 | Internal Tape Computer | 6 | 4,200 |
| 367 | Plotter | 3 | 22,800 |
| 369 | PC Drafting System | 3 | 72,000 |
| 387 | Test Management Software | 3 | 10,350 |
| 388 | Interface Bd & Driver Software | 3 | 7,125 |
| 392 | Laser Printer | 3 | 9,075 |
| 94 | Computer and Printer | 6 | 36,000 |
| 159 | Printer (LQ 2550) | 3 | 4,800 |
| 183 | Computer Projection | 3 | 9,000 |
| 184 | Panel | 0 | 0 |
| 190 | Computer Printer | 3 | 13,770 |
| 195 | Printer (DFX 5000) | 3 | 7,041 |
| 299 | Printer (LQ 2550) | 3 | 4,800 |
| 308 | Computer with Printer | 6 | 36,000 |
| 332 | PC, Printer & Hard Disk | 6 | 48,150 |
| | sub-total Data Processing | 165 | $1,268,445 |

Memo to Finance Committee
September 5, 1990

Item 1c - File 94-90-10

**Department:** Public Utilities Commission (PUC)
Municipal Railway (MUNI)

**Item:** Resolution to authorize the Public Utilities Commission (PUC) to apply for, accept and expend up to $3.3 million of Bridge Toll Funds for the San Francisco Municipal Railway Improvement Corporation (SFMRIC) lease payments and $52.1 million of regional funds such as Urban Mass Transportation Administration (UMTA) Sections 8 and 9, Transportation Development Act (TDA) Articles 3, 4, 8, and 4.5, AB 1107 half-cent sales tax revenues, and approximately $1.5 million of Bay Area Rapid Transit District funds for 1990-91 Municipal Railway operations and capital improvements.

**Amount:** $56,906,072

**Proposed Expenditure:** MUNI operating assistance and capital improvements for Fiscal Year 1990-91

**Source of Funds:**

| Operations | 1990-91 Proposed | 1989-90 Actual | Increase (Decrease) |
|---|---|---|---|
| TDA Article 3, 4, 4.5, 8 MUNI Operations | $23,624,222 | $20,259,119 | $3,365,103 |
| TDA Article 4, 8 Planning Grant | 80,000 | 80,000 | -- |
| UMTA Section 8 Planning Grant | 64,000 | 64,000 | -- |
| State Transit Assistance | 0 | 144,718 | (144,718) |
| AB 1107 Half Cent Sales Tax/ Section 9 Operating | 27,467,102 | 25,943,698 | 1,523,404 |
| BART Transfer Payment | 1,538,000 | 1,468,300 | 69,700 |
| Total Operations | $52,773,324 | $47,959,835 | $4,813,489 |
| Capital Improvements | | | |
| SFMRIC Lease Payments | $3,290,928 | 3,358,285 | ($67,357) |
| AB 1107 Capital Improvement Allowance | 841,820 | 0 | 841,820 |
| Total Capital Improvements | $4,132,748 | $3,358,285 | $774,463 |
| Total Claims | $56,906,072 | $51,318,120 | $5,587,952 |

As part of the allocation of AB 1107 funds during FY 1990-91, the BART District has committed $1,538,000 as a reimbursement to MUNI which has been calculated as the value of patron trips made on MUNI to and from BART.

The proposed grant also includes $841,820 under Capital Improvements to complete the construction of the J-Line Connection. This project allows for a rail connection for the MUNI Metro J-Church light rail line between its present terminus at 30th and Church Streets and the Curtis E. Green MUNI Metro Center at San Jose and Ocean Avenues. Construction of the project is currently underway and is scheduled for completion during January of 1991. This amount would augment the current construction budget of approximately $19.9 million.

**Comments:**

1. The proposed resolution is the annual application for MUNI operating assistance for its share of State funds allocated by the Metropolitan Transportation Commission (MTC) for 1990-91 MUNI operations and capital improvements. That portion of the budget amounting to $27,467,102 reflects a combination of AB 1107 Half Cent Sales Tax and UMTA Section 9 Operating subsidies. Although the total amount of $27,467,102 has been committed by MTC, at this time MTC has not specified the component amount from each of the two funding sources.

2. Although an "expend" clause is included in the proposed legislation, authority for the spending of these funds from the Metropolitan Transportation Commission has already been permitted by the Board of Supervisors with the approval of the 1990-91 MUNI budget. Therefore, the proposed resolution should be amended to delete the clause which authorizes the expenditure of funds.

3. According to Ms. Kathleen Kelly of the PUC, State Transit Assistance funds would not be available to the City in FY 1990-91 because of a change in the State's eligibility criteria for such funds.

**Recommendation:**

Amend the proposed resolution to delete the phrase "and expend" from page 1, line 2 and from page 2, line 17, and approve the proposed resolution as amended.

Item 2 - File 172-90-18

1. The proposed ordinance would provide for an agreement for Public Works Mutual Aid between cities, counties or State agencies throughout California to supply emergency personnel, equipment and facility assistance in times of a major disaster. The proposed ordinance would also approve the hold harmless provision in the agreement, authorize the Mayor to execute the agreement, designate the Director of the Department of Public Works (DPW) as the coordinator for the City, and authorize the payment for any assistance the City may receive from the other participating entities.

2. The County of Los Angeles, Department of Public Works, as the lead agency for this effort, has invited San Francisco, along with the other counties in the State, to join in this agreement. Los Angeles County reports that as of June 26, 1990, eight counties and 68 cities have signed this agreement.

3. The agreement establishes procedures for receiving assistance in the event of a major disaster and for receiving payment for any assistance that the City may provide to other cities and counties. The agreement provides that the rendering of mutual aid would be strictly voluntary so that the resources of the assisting entity are not unreasonably depleted by the rendering of the aid. In addition, the entity receiving the aid would fully reimburse the entity providing the aid.

4. The agreement includes a provision that the requesting entity agrees to pay all direct, indirect, administrative and contracted costs of the assisting entity. In addition, the agreement stipulates that payment for the services shall be made within 60 days of receipt of a detailed invoice.

Comments

1. The DPW reports that the agreement is intended to be used only in major disasters, such as earthquakes, when the available resources of any one county are not adequate and outside public works resources are required. The City's Fire and Police Departments currently have mutual aid agreements with other cities, counties and with the State Office of Emergency Services.

2. The DPW reports that the majority of the costs incurred in responding to a disaster is likely to be reimbursed by the Federal and State governments. However, Mr. Scott Shoaf of DPW believes that the Federal and State reimbursements would not be made within the 60-day payment schedule required by the agreement, and therefore may require the City to pay for services before receiving reimbursement from the Federal and State governments. Mr. Shoaf indicates that the DPW requests that this item be continued in order to have additional time to investigate the implications of the 60-day payment requirement.

Recommendation

Continue the item as requested by the Department.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 3 - File 101-90-8

**Department:** Chief Administrative Officer

**Item:** Supplemental Appropriation Ordinance releasing funds reserved for public facilities; re-appropriating these funds to the Moscone Expansion capital improvement project for Fiscal Year 1990-91; and placing these funds on reserve.

**Amount:** $7,043,330

**Source of Funds:** General Fund, Reserve for Public Facilities

**Description:** The City currently imposes a Hotel Tax of 11 percent. Of the 11 percent, 1.25 percent of the tax proceeds represents a surcharge on the Hotel Tax and is placed in the Reserve for Public Facilities. The amount of Hotel Tax revenues estimated from the 1.25 percent surcharge is $7,043,330. Therefore, for Fiscal Year 1990-91, the amount appropriated in the reserve fund is $7,043,330.

The 1.25 percent Hotel Tax surcharge was imposed to provide funds for the construction of the Moscone Center Expansion Construction Project. In addition, the 1.25 percent surcharge is intended to reimburse the General Fund for debt service on the $137.6 million in lease revenue bonds that were authorized in 1986 and issued in 1988 for the expansion of the Moscone Center.

The proposed supplemental appropriation ordinance would re-appropriate the 1990-91 Reserve for Public Facilities in the amount of $7,043,330 to the Moscone Center Expansion Construction Fund for construction purposes. However, the budgeted amount would be reserved in the General Fund and released by the Controller to the Moscone Expansion Construction Project as the City actually receives the Hotel Tax surcharge revenues.

The CAO currently estimates the total costs of the Moscone Center Expansion Construction Project, to be funded by a combination of $137.6 million in previously issued lease revenue bonds and the annual proceeds from the 1.25 percent Hotel Tax surcharge revenues as follows:

| | |
|---|---|
| Construction | $185,052,318 |
| Construction Management | 7,828,373 |
| Marriott Design & Construction | 782,000 |
| San Francisco Redevelopment Agency Costs | 715,351 |
| CAO Administration and Facilities Management, Inc. | 4,231,548 |
| Architectural and Professional Services | 11,057,405 |
| Title Insurance, Legal & Finance Costs | 939,078 |
| Geotechnical Engineering, Archaeologist, Vibration Analysis | 721,550 |
| San Francisco Arts Commission | 635,000 |
| Utilities, Sewer and Water alterations | 326,100 |
| Total Estimated Project Costs | $212,288,723 |

**Comments:**

1. In accordance with provisions included in the $140 million lease revenue bond agreement, the City agreed to contribute a specified budgeted amount from the Reserve for Public Facilities to finance the construction of the Moscone Center Expansion and to provide for debt service of the lease revenue bonds. As previously noted, the Reserve for Public Facilities, to which the 1.25 percent Hotel Tax surcharge revenues are allocated, would be used for construction of the Moscone Center Expansion.

2. The amount of $7,043,330 represents the amount that is budgeted and reserved in the General Fund for transfer to the Moscone Center Expansion Project Fund. As described above, the proposed ordinance would authorize the Controller to release the Hotel Tax surcharge revenues as the City receives these revenues, plus any interest earned on the surcharge revenues, for transfer from the General Fund to the Moscone Center Expansion Project. However, according to Mr. Fong of the Controller's Office, the Moscone Center Expansion Project Fund would receive the budgeted amount of $7,043,330 even if actual receipts are less than the budgeted amount. Any shortfalls would be borne by the General Fund. If the City receives more than the budgeted amount of $7,043,330, the Moscone Center Expansion Project would still be allocated the $7,043,330. All surpluses would be retained in the General Fund.

3. In Fiscal Year 1989-90, $7,920,000 was appropriated to the Reserve for Public Facilities. These funds were transferred to the Moscone Center Expansion Project. Preliminary estimates of Hotel Tax surcharge receipts are $7,510,897, which is $409,103 less than the $7,920,000 budgeted and transferred to the Moscone Center Expansion Project for Fiscal Year 1989-90. The General Fund contributed the $409,103 to make up the shortfall.

4. The proposed supplemental appropriation ordinance would reserve the $7,043,330 in monies for transfer from the General Fund to the Moscone Center Expansion Fund. These reserved monies would not require Finance Committee approval for release. The reserve is intended to withhold expenditure of the monies until the City is in receipt of the actual Hotel Tax surcharge revenues.

**Recommendation:** Approve the proposed supplemental appropriation ordinance, which includes placing the $7,043,330 on reserve.

Item 4 - File 23-90-3

1. The proposed resolution would waive the statute of limitations pertaining to the payment of a City and County of San Francisco warrant. According to the Controller's Office, the statute of limitations for a San Francisco warrant is four years after the date of issuance.

2. If approved, this resolution would authorize the Controller to replace the following warrant which was previously issued to the Teamster Automotive Employees Union.

| Fiscal Year Issued | Warrant No. | Amount | Purpose |
|---|---|---|---|
| 1985-86 | 530-0485143 | $1,226.50 | Payroll Deductions for Union Dues |

3. The Controller's Office reports that the above warrant was issued to the Teamster Automotive Employees Union for payment and was never cashed.

4. The warrant was originally issued through the Controller's Payroll Division. The Controller's Office has verified that funds are available and that the original warrant has been cancelled.

**Recommendation**

Approve the proposed resolution.

Item 5 - File 100-90-8

**Note:** This item was continued from the August 22, 1990 Finance Committee Meeting.

1. This item is a hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health, social services and criminal justice departments, as well as the poor and infirmed. The Budget Analyst worked together with the Legislative Policy Analyst staff to prepare the following information.

2. On July 31, 1990 Governor Deukmejian signed the FY 1990-91 State of California budget, which contained a total General Fund budget of $42.9 billion. This FY 1990-91 General Fund budget is approximately $3.1 billion or 7.6 percent greater than the the FY 1989-90 State General Fund budget. Together, the State's General Fund, Special Fund and Bond Funds FY 1990-91 budget, including proceeds from the recent Proposition 111 voter approved Gas Tax increase, totals $55.7 billion, or approximately $6.3 billion or 12.8 percent greater than the State's FY 1989-90 total budget.

3. Although the State budget has increased over the past year, the FY 1990-91 State budget reflects significant reductions in specific programs which are likely to directly impact on the City and County of San Francisco. On August 7, 1990, the Controller issued a memo to the members of the Finance Committee regarding the proposed State budget reductions. At that time, the total preliminary budget impact on San Francisco for FY 1990-91 was between $24 million and $37.1 million. These reductions would affect the Department of Public Health, specifically the Mental Health Department and Laguna Honda Hospital, the Department of Social Services, Trial Court Funding, the Juvenile Justice system and various previous State mandates and miscellaneous State programs. The Budget Analyst has revised these initial projections based on recent State Legislature actions, as shown in the Attachment. The total revised budget impact on San Francisco for FY 1990-91 is estimated to be approximately $17.7 million.

4. As a result of a compromise package which was approved by the State Legislature on August 31, 1990, there were significant changes in the amount of State funding for health and mental health programs in San Francisco. Specifically, the State Legislature reduced cuts to San Francisco's Medically Indigent Services Program (MISP) funding by $5.5 million from the present estimated cut of $8.95 million to approximately $3.45 million. The reductions in San Francisco's MISP results because the 25 other largest counties in California will increase their MISP reductions by a total of $5.5 million. In addition, the State Legislature provided for an additional $6 million in funding to reduce the currently estimated $11.85 million reduction to approximately $5.85 million, through a reallocation of prior year fund balances and tobacco tax monies, which would be used to offset cuts in mental health programs.

5. Mr. Dave Fong of the Controller's Office reports that the Controller has just completed their accounting of total actual San Francisco revenues and expenditures for FY 1989-90. Based on additional close-outs that were previously not identified and adjustments for the tax rate cost of living adjustment together with increased appropriations for the Art Commission's Municipal Symphony Concerts and the District Attorney's Family Support Bureau's Welfare and Assistance Programs, the City's General Fund General Reserve of $8,500,000 approved during the 1990-91 budget process has been increased by a net total of $2,360,492 for a total General Fund General Reserve of $10,860,492.

6. Public Health Department: The level of State proposed cuts in the Health Department is currently estimated to be approximately $10 million. Reductions in State funding of the Medically Indigent Services Program have been allocated at the State Department level, resulting in a cut of approximately $3.45 million for San Francisco. In addition, a reduction of $5.85 million in mental health services in San Francisco is currently projected. Another approximately $700,000 million in reductions for cost of living adjustments at Laguna Honda Hospital are also projected based on the State's possible reduction of the cost of living adjustments not taking effect until January 1, 1991.

Proposition 99, or AB75 Tobacco Tax funds may also be affected by the proposed State budget cuts because AB75 contains a maintenance of effort requirement for receipt of Proposition 99 funds. Failure to maintain the AB75 specified level of funding for outpatient services, AB8 and Medically Indigent Services Programs could result in the loss of Proposition 99 funds. The Health Department reports that they are currently examining these potential additional budgetary impacts.

The Board of Supervisors held a Beilensen Hearing on August 27, 1990, which is required because of the service level reductions which will be necessary. The August 27 hearing was scheduled to discuss two levels of departmental cuts - $5 million (A level reductions) and $10 million (B level reductions). Since more than $10 million in funding for public health services were previously anticipated to be cut from the Health Department, the Health Commission met on August 21 to discuss reductions totalling $25 million (C level reductions).

The Department of Public Health reports that the process of determining and implementing budget reductions has begun. The Department has limited many service contracts to 30 days and has begun the process of employee notification regarding potential layoffs. The Health Department used the following "guiding principles" when determining where to make the proposed programmatic cuts in each of its divisions:

(1) Maintain essential public health services

Provide basic level of care to those with no other option
Maintain accreditation and licensing standards
Maintain mandated services and services critical to the community

(2) Maintain integrity of support services (finance, personnel, contracts, MIS) relative to service levels and revenue generating requirements.

Minimize loss of revenues generated by billing, fees, grants
Minimize loss of revenues attributable to audit disallowances
Maximize alternative sources of revenues.

(3) Where possible and appropriate, consolidate/integrate services to provide multiple health services (e.g. mental health, public health, substance abuse, HIV) at primary care sites.

(4) Allocate budget reductions equitably among major DPH divisions.

The Department of Public Health has proposed a policy resolution expanding these guiding principles to include the following:

Maintain legal mandate that establishes the County as the "provider of last resort" for indigent residents (Welfare and Institutions Code Section 17000).

Use DMSF Strategic Plan to guide reductions in mental health, substance abuse and forensics.

According to Ms. Jan Ouren, Assistant Director of Planning for the Health Department, the cuts in the Public Health Department have been allocated equitably based on the percentage of General Fund revenues in each division.

7. Department of Social Services: The San Francisco Department of Social Services projects that State budget cuts will result in over a $6 million reduction in State allocations for administration and State and local contributions for client assistance in FY 1990-91. However, these State reductions will result in a direct budgetary impact to San Francisco of approximately $2.7 million. The budget cuts projected by the Department of Social Services are as follows:

(1) Elimination of AFDC COLA for 1990-91 As of June 30, 1990, San Francisco had a total of 12,370 families on AFDC. These families receive an average of $605 per month and as a result of the State's budget cuts, these families will not receive a cost of living (COLA) increase in their aid payments in 1990-91. Approximately $4 million in State and federal aid for purposes of the AFDC COLA would have been matched by San Francisco's local share of $208,000. As a result of the elimination of this COLA, San Francisco will not receive State and federal funds, nor spend its local share of $208,000.

(2) Elimination of AFDC, Food Stamp, and MediCal Administrative COLA Each year, the local government cost of providing AFDC, Food Stamp and other Medical federal and State program services increases by a cost of living adjustment. These increases include salaries, fringe benefits, materials and supplies. As reflected in the Attachment, the lack of these COLA reimbursements from the State and federal government were initially estimated to result in approximately $2 million of budget reductions for San Francisco. However, based on more current information provided by the State, the Federal government would have provided 50 percent of the increased costs ($640,000) required to provide these services. This amount must be matched at the State and local level. The 1990-91 State budget does not include its usual 25 percent match ($320,000) which means that San Francisco must come up with the entire 50 percent match or risk losing the entire federal grant. Thus, the loss of federal ($640,000) plus State funds ($320,000) is now estimated to result in a total loss of $960,000.

(3) AFDC Homeless Assistance There will be an unspecified $5 million reduction in this $40 million State-wide program. San Francisco spent $1.5 million in 1989-90 on this program. The specific impact on San Francisco has not yet been identified.

(4) GAIN Program Currently, there are 1,542 clients enrolled in this program in San Francisco. The estimated FY 1990-91 City budget for this program was $4,374,830, entirely funded by the State. The amount proposed by the Governor for 1990-91 is $4,160,000, a reduction of $214,830. Full participation in this program (8,500 clients) is mandated by the State Legislature to take place within two years.

(5) Children's Services Recent information indicates that Children's Welfare Services have been cut by $55 million State-wide. This includes programs such as Emergency Response, Family Maintenance, Family Reunification and Permanent Placement. Depending upon the actual allocation formula applied, the Department of Social Services is estimating budget reductions in San Francisco of up to $700,000 for such Children's Services.

In addition to the reductions outlined above, the Department of Social Services will not be paying an additional $1,690,000 which was set aside in a reserve account for a General Assistance program cost of living (COLA) increase. Section 20.57(d) of the San Francisco Administrative Code requires that the General Assistance grant amounts be adjusted each year " by the annual percentage cost of living increase or decrease" which is applied by the State Legislature to the Aid to Families with Dependent Children (AFDC) Program. Since the 4.6 percent AFDC COLA has been eliminated from the State budget, the City will also eliminate the GA COLA, which will reduce GA expenditures. As of June, 1990, 10,382 persons eligible for General Assistance were receiving an average stipend of $341 per month from the City.

8. Trial Court Funding: Based on a State reduction of ten percent from the FY 1989-90 allocation and the deletion of the cost of living adjustment projected, San Francisco is projected to receive a reduction of $2.5 million for Trial Court Funding in FY 1990-91. FY 1989-90 was the first full year of participation in the State's Trial Court Funding Program. It should be noted that the proposed State reduction is not a one-time reduction but is intended to be a continuing reduction that will be incorporated in the Trial Court Funding base for future years.

It was initially anticipated that San Francisco would have received approximately $16.2 million in Trial Court Funding in FY 1990-91. Therefore, a reduction of $2.5 million would result in a total allocation of approximately $13.7 million for San Francisco from Trial Court Funding in FY 1990-91.

For FY 1990-91, the Board of Supervisors had committed by resolution that one-third of the 1990-91 Trial Court Funding block grant would be received by the Municipal and Superior Courts, similar to the commitment made for FY 1989-90. All Trial Court Funding block grant monies not going directly to the courts, or approximately two-thirds of the Trial Court Funding block grant, is credited to the General Fund which finances court operations. All City and County budgeted costs for court operations, including the County Clerk's Office, are approximately $43 million in FY 1990-91.

Based on the projected $2.5 million reduction in Trial Court Funding for San Francisco, if the same allocation as approved in the prior resolutions were applied, one-third of the proposed reduction would total an approximately $833,333 reduction in Municipal and Superior Courts funding and two-thirds of the proposed reduction would total an approximately $1,666,667 reduction in General Fund monies. If this reduction were equally distributed between the Municipal and Superior Courts, it would result in a reduction of approximately $416,667 to the Municipal Court and $416,667 to the Superior Court.

Based on information provided to the Budget Analyst by the Municipal and Superior Courts, the Municipal and Superior Court Judges have not met to take a formal position on the proposed State budget cuts. However, both Mr. Don Dickinson of the Superior Court and Mr. Gordon Park-Li of the Municipal Court have indicated that they are not in a position to accept any further reductions in their existing FY 1990-91 budget allocations.

According to information provided by Mr. Park-Li, the State budget reductions provide for courts and counties to negotiate the impact of the proposed reductions, as addressed in a new subsection of the Government Code (Section 77200(d); SB 2557). This subsection states that in any year in which the block grant is reduced, the county may reduce expenditures for "court operations" by an amount not exceeding the dollar amount of the cut in the block grant. Such discretionary language does not require the backfilling of such cuts from other revenues nor does it require that counties pass such cuts onto the courts. Specifically how the Trial Court Funding budget reductions are allocated in each county is at the discretion of the courts and the county.

At the August 29, 1990 Finance Committee meeting, a request was made for letters to be sent to both the Municipal and Superior Courts for their input regarding how the specific reductions would be allocated.

9. Juvenile Justice: The State budget reductions resulted in an overall 50 percent reduction in Criminal Justice Council funding, specifically AB90 funding.

In early August, 1990 the Mayor's Criminal Justice Council (MCJC) submitted a resolution to apply for, accept and expend State grant subvention funds to the Board of Supervisors which was approved for $1,620,242 for FY 1990-91. However, the State informed MCJC that based on the State's budget cuts, the City would only receive a total grant allocation of $825,746 a 49 percent reduction ($794,496) in the original grant amount. According to Mr. Jim Buick of MCJC, MCJC's Youth Services Task Force made recommendations to MCJC's Executive Committee concerning the specific areas for reducing the proposed State grant allocation. These recommendations, in the form of a resolution, to apply for, accept and expend the $825,746 State grant funds were approved by the Finance Committee on August 29, 1990.

However, the Finance Committee instructed the MCJC to not reduce funding to its contractors, but rather to continue paying these contractors at the full $1.6 million allocation level, to review MCJC's proposed reductions and to present alternative recommendations for levels of funding and services at the September 5, 1990 Finance Committee meeting. Mr. Jim Buick reports that MCJC will present to the Finance Committee a prioritized ranking of the services and the cost for reinstating these services that were reduced due to the State budget cuts. If additional funds become available for MCJC's Juvenile Justice AB90 contractors, the prioritized listing could provide a guide for reallocating such funds.

10. State Mandates: The California Constitution generally provides that whenever the State Legislature or any State agency mandates a new program or a higher level of service on any local government, the State shall provide a subvention of funds to reimburse the local government for the costs of the program or increased level of service. However, SB 1333, recently approved by the State Legislature, provides that local agencies would not be required to implement a new program or higher level of service if it has been specifically identified by the Legislature in the Budget Act as being one for which reimbursement is not provided for that fiscal year.

The specific State mandates that would be optional in FY 1990-91 and would no longer be reimbursed by the State are as follows:

Investigations of Guardianship
Juvenile Felony Arrests
Victims Statements
Dental Examinations
Marijuana Records
Motorists Assistance

Missing Persons Reports
Signatures for Filing Fees
School Crossing Guards
Airport Land Use
Pretreatment Facilities
Short-Doyle Audits
Detention of Minors
Investment Reports
Open Meetings Act
Real Property Subdivision Mergers
Personnel Files

Based on estimates provided by the Controller's Office, the City would receive an approximate $700,000 reduction in State revenues from these previous State mandates. Ms. Carol Wilkins of the Mayor's Office reports that her office will be reviewing these State mandates and the impact on San Francisco's budget with the Controller's Office to more accurately reflect the actual budget cuts for San Francisco.

According to SB 1333, if San Francisco elects to implement these optional programs, although State funds would not be available for reimbursement, SB 1333 provides that the local jurisdiction may assess fees for such services, provided that the fees do not exceed the reasonable costs of the services. Estimates of potential revenues if fees were assessed for these programs or services have not been made by the County, to date.

In addition to the above listed State mandates, reimbursement of Indigent Defense capital cases that are assigned to San Francisco will no longer be available for reimbursement from the State. San Francisco's costs incurred for such capital cases have previously been eligible to receive State reimbursement . The Controller's Office is currently estimating the budgetary impact of the loss of such reimbursements.

11. Miscellaneous Program Reductions: The Controller's Office has estimated a total of another approximately $1.0 million in miscellaneous State budget costs will directly impact on a variety of other programs throughout San Francisco. Although specific allocation of the $1.0 million to departmental programs or service reductions has not been determined, it is known that $116,500 reduction from the State Foundation Fund for the Public Library's services would be part of these reductions.

12. Mayor's Response: In response to the State's budget cuts, Ms. Carol Wilkins, the Deputy Mayor for Finance issued a memo on August 13, 1990 to all City Department Heads and Commission Presidents indicating a need to reallocate some of the City's General Fund resources from City departments which have not been directly impacted by the State funding cutbacks. The Mayor's Office requested that all departments review their FY 1990-91 budgets and "identify options for reducing General Fund spending by two percent during the 1990-91 fiscal year". These options were to be submitted to the Mayor's Office by August 27, 1990.

BOARD OF SUPERVISORS
BUDGET ANALYST

The total FY 1990-91 General Fund budget, including the General Fund allocations to MUNI, San Francisco General Hospital and Laguna Honda Hospital and excluding the General Fund allocations to general City responsibilities, such as bond interest and redemption, workers compensation, retirement, health service and claims and judgements is approximately $1.6 billion. An across the board two percent General Fund budget reduction would total an approximately $32 million savings.

According to Ms. Wilkins, the Mayor intends to present proposals to the Board of Supervisors to reduce City department's expenditure levels and increase City revenues to offset the State's budget cut. However, Ms. Wilkins reports that the Mayor's proposals will not be available by the September 5, 1990 Finance Committee meeting.

13. Revenue Potential: The State budget includes provisions for counties to generate new revenues by levying fees and taxes on cities, schools, unincorporated areas and special districts within counties. However, San Francisco, as both a City and a County, does not have the ability to realize many of these revenues.

If San Francisco charged the Community College District and the San Francisco Unified School District for their pro-rata share of the City's administrative expenses incurred for property tax assessment and collection costs, it is estimated that the City and County could recover approximately $900,000 of additional revenues. San Francisco could also charge the Bay Area Rapid Transit District (BART), the Community College District and the Unified School District for their jail booking costs, however, such an assessment is not estimated to generate any significant revenues.

Various other local taxes and fees, such as increasing the Rent Board annual fee from $4 to $8, increasing the Parking Tax by an additional five percent and increasing the annual Business Registration Fee from $75 to $150 are being discussed by the Mayor's Office and the Board of Supervisors.

14. Conclusion: The total budget reduction for San Francisco is estimated at approximately $17.7 million. Given the opportunity to generate approximately $900,000 of additional revenue from charging the Community College District and the San Francisco Unified School District for their pro-rata share of the City's administrative expenses incurred for property tax assessment and collection costs, the total estimated shortfall for the City totals approximately $16.8 million.

However, it should be noted that the estimated budget reductions are based on a July 1, 1990 through June 30, 1991 fiscal year. Since most of the budget reductions will not be implemented until approximately October 1, 1990, the actual budget reductions will have to be increased by approximately 25 percent to account for the expenditures incurred between July 1 and September 30, 1990. The Budget Analyst and the Legislative Policy Analyst will continue to monitor these activities in order to provide updated information to the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
Chief Adminstrative Officer
Controller
Carol Wilkins
Ted Lakey

Attachment

## IMPACT OF STATE BUDGET REDUCTIONS ON SAN FRANCISCO 1990-91 FISCAL YEAR (IN MILLIONS)

| Program | Statewide Reduction | San Francisco Impact |
|---|---|---|
| Medically Indigent Services | $175 | $3.45 |
| Mental Health | $61 | 5.85 |
| Laguna Honda - Delay of COLA and possible reduction in COLA | - | .7 |
| Trial Court Funding | 10% reduction in 1989-90 allocation and deletion of COLA | 2.5 |
| Social Services Prior Year COLA | - | 2.0 |
| Social Services - Eliminated workload increases for Children's Services | | .7 |
| Juvenile Justice | $33 | .8 |
| State Mandates | Made numerous mandates optional | .7 |
| Miscellaneous small reductions in various program (Medi-Cal delay of payments from June to July) | | 1.0 |
| Total | | $17.7 |

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# CALENDAR - ACTION TAKEN

## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

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**WEDNESDAY, SEPTEMBER 12, 1990 - 2:00 P.M. ROOM 228, CITY HALL**

**MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN**

**ABSENT: SUPERVISOR HALLINAN**

**CLERK: PATRICIA J. ENG**

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

**CONSENT CALENDAR**

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 38-90-13. [Acceptance of a Gift] Resolution accepting gift of computer, valued at $9,297, from Apple Computer Corporation, for use by the Controller's Information Services Division. (Controller)

   b) File 138-90-6. [Grant-State Funds] Resolution authorizing the District Attorney of the City and County of San Francisco to apply for, accept and expend $286,991 made available through the Office of Criminal Justice Planning for a project entitled "Victim Witness Assistance Center". (Mayor)

   c) File 146-90-64. [Grant-Federal Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for, accept and expend a grant of $1,812,266 from the Department of Health and Human Services, Health Resources and Services Administration, to continue funding the AIDS Service Demonstration Project. (Mayor)

   d) File 146-90-65. [Grant-State Funds] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to apply for, accept and expend a grant up to the amount of $99,975 from the California Department of Alcohol and Drug Programs to develop and adopt a long-range, 5-year drug and alcohol abuse plan which will combine the drug and alcohol components to the extent possible under the terms and provisions of SB No. 2599, Seymour, which amends Section 11751.4 of, and adds Division 10.6 to the Health and Safety Code. (Mayor)

e) File 146-90-66. [Grant-State Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for, accept and expend a grant of $183,000 from the California Department of Health Services, to continue funding the AIDS Drug Program. (Mayor)

f) File 146-90-67. [Grant-State Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for, accept and expend a grant of $2,197,996 from the Department of Health and Human Services, Centers for Disease Control, to continue funding the Epidemiologic Study of the Natural History of HIV/AIDS in Homosexual/Bisexual Men previously enrolled in studies of Hepatitis B Infection or a comparison group. (Mayor)

g) File 146-90-68. [Grant-Federal Funds] Resolution authorizing the Department of Public Health, Bureau of Family Health, to accept and expend a continuation grant of $932,020 from Centers for Disease Control, for Perinatal AIDS Prevention to the residents of San Francisco.(Mayor)

h) File 146-90-69. [Grant-State Funds] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to apply for, accept and expend a grant up to the amount of $550,800 from the California Department of Alcohol and Drug Programs for post-earthquake disaster services to clients and staff in substance abuse treatment programs. (Mayor)

i) File 27-90-7. [Airport Financing] Resolution authorizing Airports Commission to file application and accept grant of $11,775,626 from Federal Aviation Administration for assistance in improvement at the Airport (A.I.P. No. 11). (Airports Commission)

ACTION: ITEMS 1d, 1e, 1f SEVERED. REMAINDER OF CONSENT CALENDAR RECOMMENDED.

ITEM 1d, File 146-90-65. CONTINUED TO 9/19/90.

ITEM 1e, File 146-90-66. AMENDED TO RATIFY ACTION PREVIOUSLY TAKEN. NEW TITLE: "[Grant-State Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, AIDS OFFICE, TO APPLY FOR, ACCEPT AND EXPEND A GRANT OF $183,000 FROM THE CALIFORNIA DEPARTMENT OF HEALTH SERVICES, TO CONTINUE FUNDING THE AIDS DRUG PROGRAM." RECOMMENDED AS AMENDED.

ITEM 1f, File 146-90-67. AMENDED TO PLACE $5,600 ON RESERVE. NEW TITLE: "[Grant-State Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, AIDS OFFICE, TO APPLY FOR, ACCEPT AND EXPEND A GRANT OF $2,197,996 FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, CENTERS FOR DISEASE CONTROL, TO CONTINUE FUNDING THE EPIDEMIOLOGIC STUDY OF THE NATURAL HISTORY OF HIV/AIDS IN HOMOSEXUAL/BISEXUAL MEN PREVIOUSLY ENROLLED IN STUDIES OF HEPATITIS B INFECTION OR A COMPARISON GROUP; PLACING $5,600 ON RESERVE." RECOMMENDED AS AMENDED.

REGULAR CALENDAR

2. File 62-90-3. [Airport-Concession Lease] Ordinance approving the "North Terminal Candy Store Lease" between A.B.C. Cigar Company and the City and County of San Francisco, acting by and through Its Airports Commission. (Airports Commission)

ACTION: RECOMMENDED.

3. File 97-90-40. [Public Health Contracts] Ordinance amending Administrative Code by adding Section 19A.23, to permit the Department of Public Health to enter into agreements with the Regents of the University of California enabling the Department of Public Health to participate in clinical services and training projects. (Department of Public Health)

ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE ADOPTED. CONTINUED TO 9/19/90.

4. File 101-88-117.2 Requesting release of reserved funds, Department of Parking and Traffic - Parking Authority, in the amount of $3,950,000, to deposit with the Clerk of the Superior Court as we initiate legal action to take possession of subject property (735-755 Vallejo Street), for a City parking facility. (Department of Parking and Traffic)

ACTION: HEARING HELD. RELEASE OF $3,950,000 RECOMMENDED. FILED.

File 101-88-117.3. RESOLUTION PREPARED IN AND REPORTED OUT OF COMMITTEE ENTITLED: "[Accelerate Public Construction] RESOLUTION URGING THE MAYOR AND THE CHIEF ADMINISTRATIVE OFFICER TO URGE THE BOARDS, COMMISSIONS AND DEPARTMENT HEADS FOR WHOM THEY ARE RESPONSIBLE TO ACCELERATE THEIR PUBLIC CONSTRUCTION TIMETABLES." RECOMMENDED.

Public Library, Documents Dept.
ATTN: Gerry Roth

CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST – RECOMMENDATION

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 12, 1990

**TO:** Finance Committee

**FROM:** Budget Analyst

**SUBJECT:** September 12, 1990 Finance Committee Meeting.

Item 1a - File 38-90-13

**Department:** Controller
Information Services Division (ISD)

**Item:** Resolution authorizing the Controller's Information Services Division to accept the gift of an Apple Computer, valued at $9,297.

**Description:** The Apple Computer Corporation, as part of their Educational Services Program, donates computers to public agencies, such as schools and universities, to increase the public's computer literacy level. The Apple Computer Corporation's Educational Services Program has offered to donate a gift of an Apple IIci computer to the Controller's Information Services Division to be used at the office located at 1155 Market Street.

Mr. Jack Marshall of ISD reports that ISD currently offers computer training and consulting services in Wang and IBM computers to various City department employees. According to Mr. Marshall, many City departments such as the Mayor's Office, the Public Defender's Office, the Police Department and the Public Library currently own Apple computers. ISD does not currently have an Apple computer to provide training and consulting services to departments with existing Apple computers. The proposed gift of an Apple IIci would expand existing ISD training and consulting services to provide assistance to these City departments who currently own Apple computers. Mr. Marshall states that training, consulting services, future computer maintenance and software costs would be absorbed within the Department's existing budget.

**Recommendation:** Approve the proposed resolution.

Memo to Finance Committee
September 12, 1990

Item 1b - File 138-90-6

**Department:** District Attorney

**Item:** Resolution authorizing the District Attorney to apply for, accept and expend continuation State grant funds.

**Source of Grant:** California Office of Criminal Justice Planning

**Amount:** $286,991

**Grant Period:** July 1, 1990 through June 30, 1991

**Project:** Victim Witness Assistance Center

**Project Description:** This would be the 14th year of State funding for this project. The project provides a broad range of services to victims of crime including the following: (1) crisis intervention and emergency services (e.g., counseling, financial assistance); (2) information and referral services; (3) the filing of Victim of Crime Claim forms for compensation through the State Board of Control; (4) training and public awareness programs (e.g., presentations to community groups and public safety agencies); and (5) orientation to the criminal justice system (e.g., provision of verbal or printed information to victims/witnesses on the location, procedures and functions of the local criminal justice agencies).

**No. of Persons to be Served:** Approximately 2,800 victims

**Project Budget:**

| Personnel | FTE | Amount | |
|---|---|---|---|
| Executive Director (8454) | .50 | $28,717 | |
| Victim Witness Specialist II | 2.10 | 88,780 | |
| Victim Witness Specialist I | 2.15 | 68,533 | |
| Senior Clerk Typist | .80 | 21,625 | |
| Victim Witness Technician | .75 | 18,915 | |
| Student Interns (1,380 hrs. at $5/hr.) | | 6,900 | |
| Fringe Benefits | | 24,573 | |
| Subtotal Personnel | 6.30 | | $258,043 |

| | | |
|---|---|---|
| Operating Expenses | | |
| Travel (4 grant-related conferences - northern (3) and southern (1) California) | $2,196 | |
| Telephone | 3,795 | |
| Postage | 607 | |
| Copying | 2,030 | |
| Office Supplies | 1,129 | |
| Office Machine Rentals | 706 | |
| Emergency Assistance Funds | 800 | |
| Printing | 265 | |
| Program Supplies | 200 | |
| Audit | 2,870 | |
| Subtotal - Operating Expenses | | 14,598 |
| Indirect Costs (5% of total grant) | | 14,350 |
| Total | | $286,991 |

**Local Match:** None

**Comments:**

1. The proposed grant of $286,991 is $53,374 or 22.8 percent more than the $233,617 received for FY 1989-90.

2. Ms. Donna Medley of the District Attorney's Office reports that funding for the Victim Witness Assistance Center, comes from penalties and fines assessed against criminals. Ms. Medley advises that these funds are legislatively earmarked to provide services for victims of crime. Therefore, according to Ms. Medley, the Victim Witness Assistance Center would not be affected by the State cuts in the OCJP program.

3. Attached is the "Summary of Grant Request" prepared by the District Attorney for this State grant.

**Recommendation:** Approve the proposed resolution.

Item No. _____ DISTRICT ATTORNEY - Summary of Grant Request Rev. 4/10/90

Grantor Office of Criminal Justice Planning
Contact Person Steven Hedrick
Address 1130 K Street, Suite 300
Sacramento, Calif. 95814
Amount Requested $ 286,991
Term: From 07/01/90 To 06/30/91
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Division District Attorney
Section Victim Witness Bureau
Contact Person Donna Medley
Telephone 553-9046
Application Deadline _____
Notification Expected _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a ~~(new)~~ (continuation) ~~(allocation)~~ ~~(augmentation to a)~~ grant in the amount of $286,991 from the period of 7/1/90 to 6/30/91 to provide comprehensive crime victim services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
Since 1977, the Victim Witness Assistance Center has provided comprehensive services to victims of crime. In 1989-90, approx. 2400 new victims received crisis intervention and follow-up counseling, court case notification, criminaljustice system advocacy, and other supportive services to protect them from re-victimization and aid them in recovering in the aftermath of crime.

III. Outcomes/Objectives:
1) To provide assessment and comprehensive services to 2,400 new victims; 1,060 continuing clients; and 40 non-victim witnesses.
2) To conduct 188 presentations/trainings to criminal justice system agencies, victim service organizations, community groups, schools, or media.

IV. Effects of Reduction or Termination of These Funds:
Reduction or termination of funds means victims of crime would lose the only authorized advocacy personnel in the criminal justice system: rights would not be asserted; information would be unavailable; assistance in recovery would depend on private means.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | $233,617 | $233,617 | $286,991 | (+)53,374 | | |
| Personnel | 203,924 | 212,105 | 258,043 | (+)45,938 | | |
| Equipment | - | - | - | - | | |
| *Contract Svc. | - | - | - | - | | |
| Mat. & Supp. | 720 | 1,523 | 1,329 | (-) 194 | | |
| Facilities/Space | - | - | - | - | | |
| Other | 9,180 | 8,308 | 13,269 | (+) 4,961 | | |
| Indirect Costs | 19,793 | 11,681 | 14,350 | (+) 2,669 | | |
| VI. Data Processing (costs included above) | NA | NA | NA | NA | NA | NA |
| VII. Personnel | | | | | | |
| F/T CSC | 3 | 3 | 2 | | | |
| P/T CSC | 4 | 4 | 7 | | | |
| Contractual | Ø | Ø | Ø | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
State Board of Control, D.A. General Fund

Will grant funded employees be retained after this grant terminates? If so, How?
Employees will be retained if other grant funds are available and applicable to the job classifications.

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)

Item 1c - File 146-90-64

**Department:** Department of Public Health (DPH), AIDS Office

**Item:** Resolution authorizing the DPH to apply for, accept and expend a Federal grant allocation.

**Amount:** $1,812,266

**Source of Funds:** Department of Health and Human Services, Health Resources and Services Administration

**Term:** October 1, 1990 to September 30, 1991

**Project:** AIDS Service Demonstration Program

**Description:** The proposed Federal grant would provide funding for the second year of a three year commitment to continue the AIDS Service Demonstration Program. Federal grant funds would be used to support services for AIDS patients in San Francisco and allow DPH to continue to subcontract with the counties of Alameda, San Mateo, Contra Costa and Marin for the provision of AIDS-related services in their respective jurisdictions. These counties would be subcontracting with San Francisco rather than applying directly to the Federal Government because Federal guidelines stipulate that single applications must come from jurisdictions designated as Standard Metropolitan Statistical Areas (SMSA). In the case of the Bay Area, the SMSA is composed of five surrounding counties, including San Francisco, Alameda, San Mateo, Contra Costa and Marin Counties. Within the SMSA, AIDS morbidity rates were a factor in the Federal Government's selection of which County would file the grant application. San Francisco's AIDS morbidity rate is the highest among the five surrounding counties in the SMSA.

The proposed Federal grant funding would be used to assist in minimizing hospitalization for the rising number of Persons with Aids (PWAs) in the San Francisco region. The ability to minimize hospitalization depends on the quality and integration of the care services. This proposed grant seeks to maintain and expand an effective system of services in the San Francisco region and to determine how much farther hospital utilization can be reduced. The proposed Federal grant funding would be used to provide services for AIDS patients

that promote safe, independent living and reduce unnecessary hospitalizations. These services would include: home care training, mental health counseling, home care services (such as nursing care), attendant care, food bank availability and delivery of meals to homes. AIDS-related services would be targeted specifically to PWAs who are indigent, low income, ethnic minorities, women, children and those afflicted with psychiatric illnesses. These services would include out-patient medical care at San Francisco General Hospital (SFGH) and a community-based case management program through Mental Health Case Management. Other services which would be provided include adult day care and money management.

With the exception of the provision of some case management services, DPH performs primarily an administrative function with regard to these Federal grant funds. DPH would be contracting with non-profit community agencies and SFGH for the provision of direct services to AIDS patients.

**Project Budget:**

| Civil Service Salaries | FTE | | |
|---|---|---|---|
| Chief, Health Resource Services Branch | 1.0 | $78,369 | |
| Section Chief, Contracts | 1.0 | 43,862 | |
| Section Chief, Facilities | 1.0 | 67,689 | |
| Senior Management Asst | 1.0 | 39,911 | |
| Secretary III | 1.0 | 32,720 | |
| Senior Clerk Typist | 1.0 | 24,456 | |
| | 6.0 | | |
| Subtotal Civil Service Salaries | | | $287,007 |
| Fringe Benefits @ 26% | | | 74,622 |
| Indirect Costs (Approximately 20% of Civil Service Salaries) | | | 57,401 |
| Equipment | | | |
| 1 Brother Hl-8PS Printer | | 4,000 | |
| 1 Windows 3.0 Software | | 100 | |
| 1 Aldus Pagemaker Software | | 554 | |
| Maintenance/Parts Replacement | | 346 | |
| Subtotal Equipment | | | 5,000 |

| | | |
|---|---|---|
| Operating Costs | | |
| Staff Training | $1,500 | |
| Office Supplies | 4,960 | |
| Travel | 20,000 | |
| Copy Machine Rental | 5,250 | |
| Computer Training | 1,000 | |
| Telephones | 3,360 | |
| Rent | 23,000 | |
| Subtotal Operating Costs | | $59,070 |
| Contractual Services | | |
| SFGH Minority Outpatient Care | $109,766 | |
| Mental Health Case Management | 104,888 | |
| Visiting Nurses Hospice Services of San Francisco | 207,500 | |
| Continuum HIV Day Services | 154,000 | |
| Project Open Hand | 49,870 | |
| Westside Case Management Minority Attendant Care | 92,000 | |
| Shanti Project Home Care Training | 37,000 | |
| AIDS Indigent Direct Services | 49,868 | |
| Subtotal Contractual Services | | 804,892 |
| Counties | | |
| Alameda County | $263,409 | |
| San Mateo County | 84,175 | |
| Contra Costa County | 80,700 | |
| Marin County | 69,930 | |
| Subtotal Counties | | 498,214 |
| Indirect Costs (Approximately 2% of Contractual Services and Counties) | | 26,060 |
| **Total Project Budget** | | **$1,812,266** |

**No. of People Served:** Approximately 3,189 Persons With Aids.

**Indirect Costs:** $83,461, which represents approximately 20% of Civil Service Salaries ($57,401) and approximately 2% of Contractual Services and Counties ($26,060).

**Required Match:** None

**Comments:**

1. The proposed acquisition of computer equipment has been reviewed and approved by the Electronic Information Processing Steering Committee (EIPSC).

2. The proposed grant funds are Federal funds administered through the State, therefore State budget cuts would have no affect on the proposed grant. However, as previously noted, a portion of the project services would be provided through the Mental Health Case Management and San Francisco General Hospital. Mr. Bill Haskell of DPH reports that Mental Health Case Management services does not receive funding through the City, therefore State cuts will not have any programmatic effects on the services provided to the Aids Service Demonstration Project. Mr. Haskell adds that DPH is aware that State cuts would affect SFGH, however, Mr. Haskell is not aware of what effect, if any, this would have on this project.

3. Attached is the "Health Commission - Summary of Grant Request" prepared by the Department of Public Health for this Federal Grant.

**Recommendation:** Approve the proposed resolution.

Item No. _____ Hea ., Commission - Summary of Gra.., Request — Rev. 4/10/90

Grantor DHHS/Health Resources & Services Admin
Division CO Administration
Contact Person Paul DuCommun
Section AIDS Office
Address 5600 Fisher's Lane
Rockville, Maryland 20857
Contact Person Maria Lemus
Telephone 554-9019
Amount Requested $ 1,812,266
Application Deadline 7/5/90
Term: From 10/1/90 To 9/30/91
Notification Expected _____
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a grant in the amount of $ 1,812,266 from the period of 10/1/90 to 9/30/91 to provide out of hospital AIDS care and support services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
The AIDS Service Demonstration Project provides non-acute AIDS Services in San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties. Funds support case management, home care and hospice services, skilled nursing, adult day health care, mental health services, food services, minority outpatient care, and the coordination of a continuum of care for persons with AIDS.

III. Outcomes/Objectives:
This project seeks to increase the availability, coordination, and quality of non acute care for persons with AIDS in the five counties. In year two, the project will target PWA's who are indigent, low-income, ethnic minority, women and children, and with psychiatric illnesses.

IV. Effects of Reduction or Termination of These Funds:
Reduction or termination of these funds would inhibit the well-being of persons with AIDS and ARC in San Francisco, Alameda, Contra Costa, San Mateo and Marin counties.

V. Financial Information:

| | Col. A Two Years Ago | 1989-90 Col. B * Past Year/Orig. | 1990-91 Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | | 1,798,359 | 1,812,266 | 13,907 | | |
| Personnel | | 307,717 | 361,629 | 53,912 | | |
| Equipment | | 6,250 | 5,000 | ( 1,250) | | |
| *Contract Svc. | | 1,348,520 | 1,303,106 | ( 45,414) | | |
| Mat. & Supp. | | 6,658 | 4,960 | ( 1,698) | | |
| Facilities/Space | | 24,000 | 23,000 | ( 1,000) | | |
| Other | | 29,400 | 31,110 | 1,710 | | |
| Indirect Costs | | 75,814 | 83,461 | 7,647 | | |
| VI. Data Processing (costs included above) | | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | 3.00 | 6.00 | 3.00 | | |
| P/T CSC | | 1.47 | 0.00 | ( 1.47) | | |
| Contractual | | 30.00 | 29.10 | ( 0.90) | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
n/a

Will grant funded employees be retained after this grant terminates? If so, How?
Grant is a multi-year award

*VIII. Contractual Services: Open Bid X Sole Source _____ (If sole source, attach Request for Exemption Form)
See attached list

* includes $370,513 in funds carried forward from Project 276, 1988-89

Item 1d - File 146-90-65

**Department:** Department of Public Health (DPH), Community Substance Abuse Services (CSAS)

**Item:** Resolution to apply for, accept and expend a new State grant.

**Grant Amount:** Up to $99,975

**Source of Grant:** State Department of Alcohol and Drug Programs

**Grant Period:** August 1, 1990 through June 30, 1991

**Project:** Preparation of a Comprehensive Five-Year Plan for Substance Abuse Services in San Francisco

**Description:** The proposed grant would fund the development of a five-year master plan to reduce alcohol and drug abuse in San Francisco. The DPH proposes to use the funds for contractual services to conduct a needs assessment, inventory of services and identification of departmental and community planning efforts related to alcohol and drug abuse. A portion of the efforts would involve coordination of services with the San Francisco Unified School District (SFUSD). The DPH also proposes to conduct a series of eight all-day community planning conferences to be hosted in various neighborhoods, and to sponsor an alcohol and drug symposium for City department heads, policy makers, community leaders and the media.

The proposed grant is being made pursuant to SB 2599, which was enacted by the State Legislature in September of 1988. SB 2599 provides for the development of five-year State and County master plans in order to maximize resources for drug and alcohol abuse programs and to identify funding priorities for the State. The DPH reports that a percentage of future State Alcohol and Drug Program funding will be set aside to fund priority alcohol and drug services only to those counties with State-approved Five Year County Master Plans.

The DPH proposes to contract with the Friendship House Association of American Indians, Inc., which is a non-profit organization, for consultation, coordination and needs assessment services for this project. The DPH indicates that the contract would be awarded to the Friendship House on a sole source basis because the limited duration of the project does not allow the DPH to issue a request for proposals. The DPH reports that the Friendship House currently provides similar services for the City.

**Grant Budget:**

| | | |
|---|---|---|
| Contractual Services | | |
| Personnel | | |
| Planner (1.0 FTE) | $40,000 | |
| Planning Asst. (1.0 FTE) | 25,000 | |
| SFUSD Planner (30 hrs @ $50/hr) | 1,500 | |
| Subtotal Personnel | | $66,500 |
| Equipment | | |
| One Macintosh SE/30 computer | | 5,000 |
| Local Travel | | |
| 3,000 miles @ $0.25/mile | | 750 |
| Printing/Duplicating | | 1,000 |
| Planning Events/Activities | | 14,728 |
| Administrative Overhead (12 percent) | | 11,997 |
| Total Contractual Services (Grant Budget) | | $99,975 |

**Indirect Cost Rate:** None

**Required Match:** None

**Comments:**

1. The CSAS would contribute in-kind services totalling $12,652 for salaries and fringe benefits for an existing Health Program Coordinator II to serve half-time for six months as the project coordinator to oversee the preparation of the comprehensive five-year plan for San Francisco. These in-kind services are not required by the grant.

2. Dr. Wayne Clark of CSAS reports that the State budget cuts are not expected to affect the proposed grant because the State has already appropriated the funds for this program.

3. The DPH has prepared a "Summary of Grant Request," which is attached.

**Recommendation:** Approve the proposed resolution.

Attachment

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

Grantor State of California Department of Alcohol and Drug Programs Division Mental Health, Substance Abuse & Forensics/CSAS

Contact Person Various Section

Address 1700 K Street Contact Person Wayne Clark, Ph.D.

Sacramento 95814 Telephone (916) 455-3500

Amount Requested $ 99,975 Application Deadline N/A

Term: From 8/1/90 To 6/30/91 Notification Expected 8/90

Health Commission 8/14/90 Board of Supervisors: Finance Committee _____

Full Board _____

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 99,975 from the period of 8/1/90 to 6/30/91 to provide a comprehensive 5-year plan for substance abuse services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

Please refer to Page 1b attached.

III. Outcomes/Objectives:

Please refer to Page 1b attached.

IV. Effects of Reduction or Termination of These Funds:

This project terminates June 30, 1991 with no renewal or extension. Any consultant services terminate at that time. Reduction of funds for this project is not feasible as it would jeopardize the project.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | N/A | N/A | $99,975 | N/A | N/A | |
| Personnel | | | -0- | | | |
| Equipment | | | -0- | | | |
| *Contract Svc. | | | 99,975 | | | |
| Mat. & Supp. | | | -0- | | | |
| Facilities/Space | | | -0- | | | |
| Other | | | -0- | | | |
| Indirect Costs | | | -0- | | | |
| VI. Data Processing (costs included above) | | | -0- | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | -0- | | | |
| P/T CSC | | | -0- | | | |
| Contractual | | | 2.00 | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, how?

N/A

*VIII. Contractual Services: Open Bid _____ Sole Source XXX (If sole source, attach Request for Exemption Form)

Item 1e - File 146-90-66

**Department:** Department of Public Health (DPH), AIDS Office

**Item:** Resolution authorizing the Department of Public Health to accept and expend a State grant augmentation.

**Amount:** $183,000

**Source of Funds:** State Department of Health Services (SDHS)

**Term:** June 1, 1990 through June 30, 1990

**Project:** AIDS Drug Program

**Description:** The proposed State grant augmentation would be used to reimburse the AIDS Drug Program retroactively for services provided during the one-month period June 1, 1990 through June 30, 1990. The AIDS Drug Program provides AZT and/or aerosolized pentamidine drugs, to non-MediCal-eligible low-income persons who have a valid prescription for the drug from a licensed physician and who meet the income eligibility criteria.

**No. of Persons Served:** 548 unduplicated AZT clients, 185 unduplicated aerosolized pentamidine clients

**Project Budget:** Clinical Supplies (medicine) $183,000

**Indirect Cost:** None

**Local Match:** None

**Comments:**

1. The AIDS Drug Program had previously received a total of $1,870,453 for the period July 1, 1989 through June 30, 1990. The proposed grant augmentation would bring the total amount received for this Program for FY 1989-90 to $2,053,453. Since the inception of the AIDS Drug Program in 1987, the Program has received a total of $4,540,550 through June 30, 1990 (excluding the proposed grant augmentation of $183,000).

2. As noted above, the State would reimburse the City retroactively for services provided under the AIDS Drug Program. Therefore, the legislation should be amended to reflect the DPH's acceptance and expenditure of a State grant augmentation retroactively from the State Department of Health Services.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Attached is the "Health Commission - Summary of Grant Request" prepared by DPH for this State grant augmentation.

**Recommendation:** Amend the proposed legislation to reflect DPH's acceptance and expenditure of a State grant augmentation retroactively from the SDHS and approve the legislation as amended.

Attachment

Item No. _____ Heal Commission - Summary of Grar Request Rev. 4/10/90

Grantor California Department of Health Services Division CO Administration
Contact Person Anna Ramirez Section AIDS Office
Address P.O. Box 942732 Contact Person Maria Lemus
Sacramento, CA 94234 Telephone (415)554-9019
Amount Requested $ 183,000.00 Application Deadline N/A
Term: From 06-01-90 To 06-30-90 Notification Expected _____
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Circle appropriate words)
Request to ~~(apply for)~~ (accept and expend) a ~~(new)~~/(continuation)/(allocation)/(augmentation to a) grant in the amount of $183,000 from the period of 06-01-90 to 06-30-90 to provide AIDS Drug Program services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
Allocation made by the State to increase AIDS Drug Program funds. This augmentation will reimburse the City for AZT and aerosolized pentamidine distributed by SFGH during June 1990. This is the fifth augmentation by the State for this program for the period July 1989 through June 1990.

III. Outcomes/Objectives:
For the period April 1990 through June 1990, SFGH made 2,130 distributions of AZT, and 666 distributions of pentamidine.

IV. Effects of Reduction or Termination of These Funds:
Reduction or termination would result in our inability to provide AIDS drugs to clients meeting financial and clinical criteria for eligibility.

V. Financial Information:

| | Col. A 7/1-12/31/89 | Col. B 1/1-6/30/90 | Col. C Proposed 6/90 | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 665,456 | 1,204,997 | 183,000 | 183,000 | | |
| Personnel | | | | | | |
| Equipment | | | | | | |
| Contract Svc. | | | | | | |
| Mat. & Supp. | 665,456 | 1,204,997 | 183,000 | 183,000 | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | | | | | |
| VI. Data Processing (costs included above) | | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | n/a | n/a | n/a | n/a | | |
| P/T CSC | n/a | n/a | n/a | n/a | | |
| Contractual | n/a | n/a | n/a | n/a | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?
N/A

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)
N/A

Item 1f - File 146-90-67

**Department:** Department of Public Health (DPH)
Aids Office

**Item:** Resolution authorizing the Department of Public Health to apply for, accept and expend a continuation Federal grant.

**Amount:** $2,197,996

**Source of Grant:** U.S. Department of Health and Human Services
Centers for Disease Control (CDC)

**Grant Period:** November 1, 1990 to October 31, 1991

**Project:** AIDS/Hepatitis B Infection Epidemiologic Study

**Project Description:** The proposed Federal grant would continue to fund a project to study the natural history of the HIV virus in gay/bisexual males, to study co-factors for development of AIDS in antibody positive individuals, to measure changes in high-risk behaviors and to evaluate the effectiveness of counseling to achieve behavior changes as a means to reducing AIDS risk. This would be the fourth year of a five-year grant period for this study.

**No. of Study Participants:** Approximately 6,000 individuals

**Grant Budget:**

| | | |
|---|---|---|
| Personnel | | |
| Civil Service Staff (26.04 FTE) | $1,088,178 | |
| Fringe Benefits | 293,808 | |
| Subtotal | | $1,381,986 |
| Operating Expense | | |
| Rent | $ 81,426 | |
| Telephone | 42,900 | |
| Postage | 2,000 | |
| Photocopier | 4,800 | |
| Staff Training | 1,800 | |
| Study Participant Costs | 21,500 | |
| Group Intervention Costs | 500 | |
| Office Supplies | 6,100 | |
| Medical Supplies | 25,700 | |
| Staff Mileage | 10,960 | |
| Travel | 31,250 * | |
| Delivery/Courier Services | 5,450 | |
| Toxic Waste Services | 750 | |

| | | |
|---|---|---|
| Printing/Slide Production | 5,000 | |
| Reproduction | 3,500 | |
| Promotional/Advertising Costs | 5,360** | |
| Data Collection | 2,345 | |
| Manuals | 405 | |
| Subtotal | | 251,746 |
| Equipment | | |
| Personal Computer | $ 5,600 | |
| Printer (assembly repair) | 200 | |
| Computer Maintenance | 1,000 | |
| Office Furniture | 2,400 | |
| Subtotal | | 9,200 |
| Interdepartmental Workorder | | |
| Laboratory Services | | 63,000 |
| Contractual Services | | 267,813 |
| Indirect Costs | | 224,251 |
| Total | | $2,197,996 |

* Travel funds are used to pay for travel expenditures in and out-of-state, for staff and study participants. This travel is necessary in order to bring staff together with study participants to gather data necessary for the Epidemiologic study. Mr. Paul O'Malley of DPH reports that $12,000 of the $31,250 in travel funds would be used to bring approximately 250 out-of-State study participants to San Francisco over the term of the project (two visits for each participant). Mr. O'Malley advises that approximately $8,750 would be used for staff travel in and out-of-state to various grant-related conferences and meetings. The remaining $10,500, according to Mr. O'Malley would be used to fund travel costs for five staff to attend the AIDS international conference in Italy. Mr. O'Malley advises that the Federal grantor expects and encourages staff participation at all grant-related conferences and has given its approval for the proposed level of staff attendance at the various conferences.

** Funds for Promotional/Advertising Costs, are used to pay for advertising in various publications in and out-of-state. These ads are aimed at locating individuals who participated in the original Hepatitis B infection studies.

**Indirect Costs:** The $224,251 in indirect costs represents 20.6 percent of salaries.

**Required Match:** None

**Comments:**

1. This is the fourth year of a five-year grant. The proposed grant of $2,197,996 is $311,800 or 16.5% more than the $1,886,196 received for FY 1989-90.

2. The $267,813 budgeted amount for contractual services includes the following:

| | |
|---|---|
| Damon Clinical Laboratories (provides blood tests and processing) | $172,438 |
| California Public Health Foundation (provides specialized viral tests) | 78,900 |
| Physician Research Consultant (.10 FTE) | 10,625 |
| Biostatistician ($50/hr x 80 hrs. plus $500 computer mainframe time) | 4,500 |
| Indirect Costs (30% of Biostatistician) | 1,350 |
| Total | $267,813 |

3. Mr. O'Malley reports that the Department contracts with California Public Health Foundation on a sole source basis due to the unique nature of the services provided. Mr. O'Malley adds that the current contract with Damon Clinical Laboratories was selected through DPH's competitive bidding process.

4. Ms. Wendy Wolf of DPH reports that the Department has not, as yet, received EIPSC approval for the purchase of the personal computer. Therefore, funds in the amount of $5,600 should be placed on reserve pending EIPSC approval.

5. Attached is the DPH's "Summary of Grant Request" which was prepared by the Department for this Federal grant.

**Recommendations:** 1. Amend the proposed legislation to place $5,600 on reserve pending EIPSC approval of the personal computer.

2. Approve the proposed resolution as amended.

Item No. _____ Heal Commission - Summary of Grai Request Rev. 4/10/90

Grantor Centers for Disease Control
Contact Person John Narkunas
Address Centers for Disease Control
Atlanta, Georgia 30333
Amount Requested $ 2,197,966
Term: From 11-1-90 To 10-31-91
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Division CO Administration
Section AIDS Office
Contact Person Maria Lemus
Telephone (415)554-9019
Application Deadline 08-01-90
Notification Expected 10-1-90

I. Item Description: (Circle appropriate words) Request to ~~apply for~~ (accept and expend) a ~~(new)~~/(continuation)/~~(allocation)~~/~~(augmentation to a)~~ grant in the amount of $ 2,197,966 from the period of 11-1-90 to 10-31-91 to provide AIDS/Hepatitis B Infection Epidemiologic Study services.

II. Summary: (Concer/history; need addressed; number + groups served; services and providers)
The Cohort Clinic Study conducts epidemiological research of the natural history of HIV Infection in male homosexual/bisexual men in San Francisco who were previously enrolled in studies of Hepatitis B Infection or a comparison group. 1990-91 represents the fourth year of a five-year grant period.

III. Outcomes/Objectives:
To determine the prevalence and incidence of HIV infection and AIDS, identify behavioral and biological factors associated with HIV seroconversion and disease progression in a well-established cohort of homosexual and bisexual men.

IV. Effects of Reduction or Termination of These Funds:
Reduction or termination of these funds would inhibit the well-being of persons with AIDS, ARC, and HIV infection in San Francisco.

V. Financial Information:

| | 1988-89 Col. A Two Years Ago | 1989-90 Col. B * Past Year/Orig. | 1990-91 Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 1,716,638 | 1,886,196 | 2,197,996 | 311,800 | | |
| Personnel | 1,020,496 | 1,138,692 | 1,381,986 | 243,294 | | |
| Equipment | 11,097 | 20,952 | 9,200 | ( 11,752) | | |
| Contract Svc. | 284,711 | 329,467 | 330,813 | 1,346 | | |
| Mat. & Supp. | 20,035 | 25,820 | 31,800 | 5,980 | | |
| Facilities/Space | 71,988 | 78,066 | 81,426 | 3,360 | | |
| Other | 150,095 | 110,069 | 138,520 | 28,451 | | |
| Indirect Costs | 158,216 | 183,130 | 224,251 | 41,121 | | |
| VI. Data Processing (costs included above) | 4,000 | 4,500 | 5,850 | 1,350 | | |
| VII. Personnel | | | | | | |
| F/T CSC | 25.0 | 21.0 | 25.0 | 4.0 | | |
| P/T CSC | 0.0 | 2.33 | 1.04 | (1.29) | | |
| Contractual | | 1.02 | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
None

Will grant funded employees be retained after this grant terminates? If so, How?
No

*VIII. Contractual Services: Open Bid X Sole Source _____ (if sole source, attach Request for Exemption Form)

*Includes $97,000 carried forward from 88-89.

Item 1g - File 146-90-68

**Department:** Department of Public Health (DPH)
Family Health Bureau

**Item:** Resolution authorizing the (DPH) to apply for, accept and expend a Federal continuation grant.

**Amount:** $932,020

**Source of Grant:** Department of Health and Human Services
Centers for Disease Control (CDC)

**Grant Period:** September 28, 1990 to September 27, 1991

**Project:** Perinatal AIDS Prevention Program

**Description:** The proposed Federal grant would fund the last year of a three-year demonstration project to provide a comprehensive, community-based Perinatal AIDS Prevention Program for IV drug using women or partners of IV drug users. The project is aimed at developing and providing effective educational techniques to decrease HIV risk behavior and increase contraceptive use among women at high risk of HIV infection.

The project compares traditional and non-traditional family planning clinics in order to improve the educational and clinical services provided to HIV drug using women. The traditional family planning clinics such as San Francisco General Hospital's (SFGH) Family Planning Division are designed to exclusively offer family planning and women's health care services. The non-traditional family planning clinics, such as the Good Samaritan Community Center, are clinics located where HIV drug using women reside. The non-traditional clinics offer primarily drug treatment, housing, and food services, in addition to services in women's health care and family planning programs. Under the proposed grant, research data from the traditional and non-traditional family planning clinics would be collected and evaluated in order to determine which type of clinic better serves the needs of IV drug using women or partners of IV drug users. The project proposes to continue to recruit at least 1,500 women who are at high risk for HIV into one of the eight community health care clinics. The community health care clinics offer follow-up health care services to these women every six months.

The University of California San Francisco (UCSF), would continue to provide contractual services on a sole-source basis to perform ongoing research and study design services. Planned Parenthood, a local non-profit agency, would continue to provide contractual services on a sole-source basis to hire and train community outreach specialists and to coordinate community-based outreach, education and clinical services. In addition to Planned Parenthood, other community agencies that would participate in the project include Glide Memorial Church, Women's Needs Center, Haight Ashbury Free Clinic, San Francisco General Hospital, the Good Samaritan Community Center, Bayview Hunter's Point and Southeast Health Center.

**Project Budget:**

| Civil Service Salaries | FTE | | |
|---|---|---|---|
| Project Coordinator | 1.00 | $47,112 | |
| Family Planning Coordinator | .10 | 5,260 | |
| Physician/ Specialist | .50 | 36,858 | |
| | 1.60 | | |
| Subtotal Salaries | | | $89,230 |
| Mandatory Fringe Benefits @ 27% | | | 24,092 |
| Other Operating Costs | | | |
| Laboratory Expenses | | $4,000 | |
| Travel (To attend in-and out of State œ AIDS workshops/ meetings/ conferences) | | 2,000 | |
| Office Supplies | | 1,500 | |
| Postage | | 500 | |
| Miscellaneous (Sexually Transmitted Disease diagnostic and pregnancy detection tests) | | 2,000 | |
| Subtotal Operating Costs | | | 10,000 |
| Contractual Services | | | |
| UCSF Research Contract | | | |
| Personnel (5.3 FTE) | | $201,389 | |
| Rent | | 21,000 | |
| Travel | | 7,500 | |
| Operating Costs | | 24,400 | |
| Research Consultant (100 hours) | | 7,500 | |
| Indirect Costs (26.1% not including rent) | | 62,846 | |
| Subtotal UCSF | | $324,635 | |

Planned Parenthood Contract

| | | |
|---|---|---|
| Fees Paid to Community Agencies for Services (948 x $218/exam, plus 276 x $108.95/follow-up exam) | $236,734 | |
| Outreach Workers (5.35 FTE) | 139,186 | |
| Survey Incentive Program | 25,500 | |
| Administrative Personnel (.80 FTE) | 35,159 | |
| Indirect Costs (17% of outreach and administrative costs) | 29,638 | |
| Subtotal Planned Parenthood | $466,217 | |
| Subtotal Contractual Services | | $790,852 |
| Indirect Costs (20% of Civil Service Salaries) | | 17,846 |
| **Total Project Budget** | | **$932,020** |

**No. of Persons Served:** 1,500 women who are at high risk for HIV.

**Indirect City Costs:** $17,846, which represents 20% of Civil Service Salaries

**Required Match:** None

**Comments:** 1. Although there is no formal required match in order to receive the Federal grant funds, Mr. Stephen Purser of DPH reports that the the City is contributing a total of an additional 0.25 FTE for in-kind services at an estimated total annual cost of $24,792, as follows:

| Civil Service Salaries | FTE | | |
|---|---|---|---|
| Principal Investigator | .10 | $9,170 | |
| Family Planning Coordinator | .10 | 5,260 | |
| Management Assistant/ Contracts Officer | .05 | 2,435 | |
| Subtotal Salaries | .25 | | $16,865 |
| Mandatory Fringe Benefits (@ 27% Salaries) | | | 4,554 |
| Indirect Costs (@ 20% Salaries not including Mandatory Fringe Benefits) | | | 3,373 |
| Total In-kind Services | | | $24,792 |

2. Mr. Purser reports that the proposed grant is a joint application with UCSF, therefore, under the grant agreement, the contract with UCSF would be awarded on a sole-source basis.

3. According to Mr. Purser, the sole-source contract with Planned Parenthood would be extended for an additional year from the 1989-90 contract due to the need for continuity in the outreach phase of the project.

4. As previously noted, the grant period would begin September 28, 1990 and end September 27, 1991. Mr. Purser reports that the proposed grant funds are CDC funds available at the end of the Federal fiscal year which the CDC must allocate prior to September 30, 1990. Therefore, the one year grant period for this grant would begin September 28, 1990.

5. Mr. Purser reports that although this is the final year of the Perinatal AIDS Prevention Project, DPH will need additional funding to complete its research. Mr. Purser states that DPH will be applying for an additional two years of funding from the CDC in order to obtain the additional information needed to complete its research.

6. Mr. Purser reports that the State cuts will not affect the services provided by this project.

7. Attached is the "Health Commission - Summary of Grant Request" prepared by the Department of Public Health for this Federal Grant.

**Recommendation:** Approve the proposed resolution.

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

Grantor: Centers for Disease Control
Contact Person: Stuart Berman, M.D.
Address: C.D.C. 255 E. Paces Ferry Rd. N.W. Atlanta, GA 30305
Amount Requested: $ 932,020
Term: From 9/28/90 To 9/27/91

Division: CPHS
Section: Bureau of Family Health
Contact Person: Stephen Purser
Telephone: (415) 554-2569
Application Deadline: August 1, 1990
Notification Expected: September 15, 1990

Health Commission _____ Board of Supervisors: Finance Committee _____
accept, and expend Full Board _____

I. Item Description: (Check appropriate words)
Request to (apply for) (~~accept~~) a (~~new~~) (continuation) (~~augmentation to~~) grant in the amount of $932,020 from the period of 9/28/90 to 9/27/91 to provide Community-based perinatal AIDS Research and _____ services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
This is an application for the third year of non-competing funding for a research demonstration project designed to provide clinical and educational services for for at least 1500 women at risk for HIV. Research data is collected and outcomes of those women attending traditional vs. alternative clinic sites are compared.

III. Outcomes/Objectives:
Continue to utilize a street outreach team to recruit at least 1500 women who are at risk for HIV into one of 8 clinic sites providing health services. Provide services to women every 6 months, and evaluate outcomes.

IV. Effects of Reduction or Termination of These Funds:
Provision of Medical counseling, and educational services for women at high-risk for HIV transmission through community-based clinic sites will not be possible. Valuable research data on a population that is extremely hard to reach and serve will be lost.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 796,892 | 777,570 | 932,020 | +154,450 | | |
| Personnel | 155,162 | 107,478 | 113,322 | + 5,844 | | |
| Equipment | 5,000 | -- | -- | -- | | |
| *Contract Svc. | 596,482 | 633,500 | 790,852 | +157,352 | | |
| Mat. & Supp. | 5,000 | 7,500 | 7,500 | -- | | |
| Facilities/Space | -- | -- | -- | -- | | |
| Other | 4,000 | 3,000 | 2,500 | ( 500) | | |
| Indirect Costs | 31,248 | 26,092 | 17,846 | ( 8,246) | | |

VI. Data Processing (costs included above)

VII. Personnel

| | | | | | | |
|---|---|---|---|---|---|---|
| F/T CSC | 3.2 | 1.0 | 1.0 | -- | | |
| P/T CSC | | .85 | .85 | -- | | |
| Contractual | 12.0 | 9.55 | 11.45 | 1.9 | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
The source of funds for remaining percentage of persons working part-time on this grant is primarily city funds, with a small percentage being grant funded.

Will grant funded employees be retained after this grant terminates? If so, How?
This is the final grant year. However, per funding agency (CDC) program may be continued through renewed funding.

*VIII. Contractual Services: Open Bid _____ Sole Source X (Justification must be Reason for Exception Form)
(Planned Parenthood Sole Source Request was approved 3/12/90. UCSF Contract Sole Source Request is submitted herein).

Item 1h - File 146-90-69

**Department:** Department of Public Health (DPH), Community Substance Abuse Services (CSAS)

**Item:** Resolution to apply for, accept and expend a new State grant.

**Grant Amount:** $550,800

**Source of Grant:** State Department of Alcohol and Drug Programs

**Grant Period:** August 15, 1990 through March 15, 1991

**Project:** Post-Earthquake Disaster Services

**Description:** The proposed grant would provide funds to existing community drug abuse treatment programs to provide crisis counseling and outreach services that are needed as a result of the October 1989 earthquake. In addition, the proposed grant would fund additional residential treatment beds for six months and support services for clients and clinicians who suffer from delayed post-traumatic stress resulting from the earthquake, and disaster preparedness training.

**Grant Budget:**

| | | |
|---|---|---|
| Contractual Services | | |
| Horizons - Outreach, case finders and family support services: | | |
| Personnel (2.0 FTE) | $62,000 | |
| Licensed Family Therapists (500 hours @ $40/hour) | 20,000 | |
| Subtotal Horizons | | $82,000 |
| Walden House - Residential treatment beds: (13 beds x approximately 181 days @ $50/bed/day) | | 117,622 |
| Asian American Recovery Services - Residential treatment beds: (4 beds x approximately 182 days @ $50/bed/day) | | 36,498 |
| Baker Places - Residential treatment beds: (8 beds x approximately 177 days @ $50/bed/day) | | 70,880 |

| | | |
|---|---|---|
| Haight Ashbury Free Medical Clinic (HAFMC) - | | |
| Staff training: | | |
| Four all-day training sessions @ $4,000/session | $16,000 | |
| 25 individual training sessions @ $500/session | 12,500 | |
| 2 participation trainings @ $1,750/session | 3,500 | |
| Subtotal HAFMC | | $32,000 |
| Suicide Prevention - Staff training and relapse prevention to be administered by Suicide Prevention, but available to staff of all community service providers. In addition, promotional activities would include a one day event and media presentations to educate the public about possible after effects of the earthquake and support services. | | |
| 25 Educational Leave staff stipends @ $1,000/trip | $25,000 | |
| One Day "Sober Anniversary" event | 12,500 | |
| Promotional Activities | 12,500 | |
| Subtotal Suicide Prevention | | 50,000 |
| Friendship House - Project Coordination Personnel (2.0 FTE) | | 50,000 |
| Subtotal Contractual Services | | 439,000 |
| Supplies - 40 Disaster Kits Emergency medical supplies, flashlights, batteries, generators @ $500/kit | | 20,000 |
| Indirect Costs | | 91,800 |
| Total Grant Budget | | $550,800 |

**No. of Persons to be Served:** Approximately 9,000 clients would receive direct services.

**Indirect Cost Rate:** $91,800, which is 20 percent of direct costs totalling $459,000

**Required Match:** None

**Comments:** 1. The DPH reports that the proposed grant is a one-time only grant for six months. Dr. Wayne Clark of CSAS indicates that the State budget cuts would not affect the proposed grant because the funds are Federal monies that are administered by the State.

2. The DPH has prepared a "Summary of Grant Request," which is attached.

**Recommendation:** Approve the proposed resolution.

Attachment

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

Grantor U.S. Dept. of Health & Human Services/ Office of Treatment Improvement
Contact Person Various
Address 5600 Fishers Lane
Rockville, MD

Division Mental Health, Substance Abus
Section Forensics/CSAS
Contact Person Wayne Clark, Ph.D.
Telephone 255-3500

Amount Requested $ 550,800
Term: From 8/15/90 To 3/15/91

Application Deadline 5/9/90
Notification Expected 8/90

Health Commission 8/14/90 Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 550,800 from the period of 8/15/90 to 3/15/91 to provide substance abuse treatment following earthquake/disaster services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
Please see Page 1b attached.

III. Outcomes/Objectives:
Please see Page 1b attached.

IV. Effects of Reduction or Termination of These Funds:
These funds terminate after six months with no renewal. Those services which were augmented will be proportionately reduced when the project ends.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | N/A | N/A | 550,800 | N/A | N/A | |
| Personnel | | | -0- | | | |
| Equipment | | | -0- | | | |
| *Contract Svc. | | | 439,000 | | | |
| Mat. & Supp. | | | 20,000 | | | |
| Facilities/Space | | | -0- | | | |
| Other | | | -0- | | | |
| Indirect Costs | | | 91,800 | | | |
| VI. Data Processing (costs included above) | | | -0- | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | -0- | | | |
| P/T CSC | | | -0- | | | |

Contractual: Unknown at this time; this will be identified on each contractor's contract modification summary sheet when heard for approval by the Commission.

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?
N/A

*VIII. Contractual Services: Open Bid _____ Sole Source XXX (if sole source, attach Request for Exemption Form)

Item 1i - File 27-90-7

**Department:** Airports Commission

**Item:** Resolution authorizing the Airports Commission to apply for and accept a grant from the Federal Aviation Administration (FAA) for Airport improvements.

**Amount:** $11,775,626

**Source of Funds:** FAA's Airport Improvement Program (AIP) Project No. 11 grant funds

**Project Description:** The FAA's Airport Improvement Program (AIP), which was enacted in 1982, provides for reimbursement of 75 percent of the cost of eligible Airport improvements. To be eligible for the Federal reimbursement funds, the Airport is required to submit a project application to the FAA. Following is a summary of the proposed AIP projects included in the Airport's application to the FAA.

1. Overlay and Reconstruction of Runway 10L-28R from Taxiway N to the West-End

This project provides for the partial reconstruction and overlay of a portion of Runway 20L-28R, in order to eliminate undulations in the runway which are caused by differential settlement of the airfield. The work would also include the modification of utilities adjacent to the runway and the painting of any pavement markings.

2. Construction of Runway 10L Fillets at Taxiways L, P and X

This project provides for the construction of five pavement fillets (narrow strips connecting the runway to the taxiway) adjacent to Runway 10L-28R on the west side of cross-over P, two fillets at the west side of cross-over L and one fillet at the south east side of the intersection of Taxiway X.

3. Reconstruction of Airfield Perimeter Dike

This project provides for the construction and the building-up of approximately 6,800 feet of dike located at the water boundary of the north east quadrant of the Airport. The construction on the dike is necessary in order to prevent tidal water from the San Francisco Bay from encroaching upon and flooding Runways 19L-1R and 10L-28R.

4. Installation and Upgrade of Taxiway A Centerline Lights

This project provides for the installation and upgrading of centerline lights along Taxiway A. The installation of the lights would facilitate aircraft approach to the airfield during nighttime, rain or fog when visibility is low.

**Proposed Expenditures:**

| Project | Construction Estimate | Architectural Engineering & Inspection | Contingency | Total | 75 percent FAA Share |
|---|---|---|---|---|---|
| Overlay and Reconstruction of Runway 10L-28R from Taxiway N to the West-End | $7,000,000 | $1,000,000 | $640,000 | $8,640,000 | $6,480,000 |
| Construction of Runway 10L Fillets at Taxiways L, P and X | 2,000,000 | 300,000 | 180,000 | 2,480,000 | 1,860,000 |
| Reconstruction of Airfield Perimeter Dike | 1,700,000 | 250,000 | 150,349 | 2,100,349 | 1,575,262 |
| Installation and Upgrade of Taxiway A Centerline Lights | 2,000,000 | 300,000 | 180,000 | 2,480,000 | 1,860,000 |
| Total | $12,700,000 | $1,850,000 | $1,150,349 | $15,700,349* | $11,775,262 |

*The $15,700,349 includes the FAA's 75 percent share in the amount of $11,775,262 plus the City's matching share of $3,925,087 (25 percent) to be funded from Airport Series E Revenue Bonds.

**Comments:**

1. FAA funding in the amount of $40,648,196 has been previously requested for 12 AIP projects in 1986, 1987, 1988 and 1989. The proposed resolution would increase the number of AIP projects to sixteen and increase FAA funding to $52,423,458.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. FAA is currently withholding the Airport's prior requests totaling $40,648,196 for the 1986, 1987, 1988 and 1989 projects because of what the FAA considered to be discriminatory action taken by the Airports Commission in not permitting 707Q passenger aircraft to take off and land at the Airport. These type aircraft exceed the noise threshold of the Airports Commission regulations, which are more stringent than the FAA's noise thresholds.

3. Mr. Don Garibaldi, of the City Attorney's Office, reports that the City has filed an appeals in the Federal Ninth Circuit Court, seeking a reversal of the FAA's ruling of discriminatory action by the Airports Commission. According to Mr. Garibaldi, all case briefs have been filed, but a court hearing date has not, as yet, been set. Mr. Garibaldi advises that the FAA's funding share in the amount of $40,648,196 for the 1986, 1987, 1988 and 1989 projects is being held in escrow for the City until such time as a court settlement is reached. Mr. Garibaldi further reports that while it is uncertain as to when the court case will be settled, the City should continue to apply for FAA grant funds on all eligible projects.

4. Mr. John Martin of the Airport advises that the City's matching funds of $3,925,087 will be funded by Airport revenue bonds (Series E). According to Mr. Martin, these funds are appropriated in the Airport's 1990-91 budget.

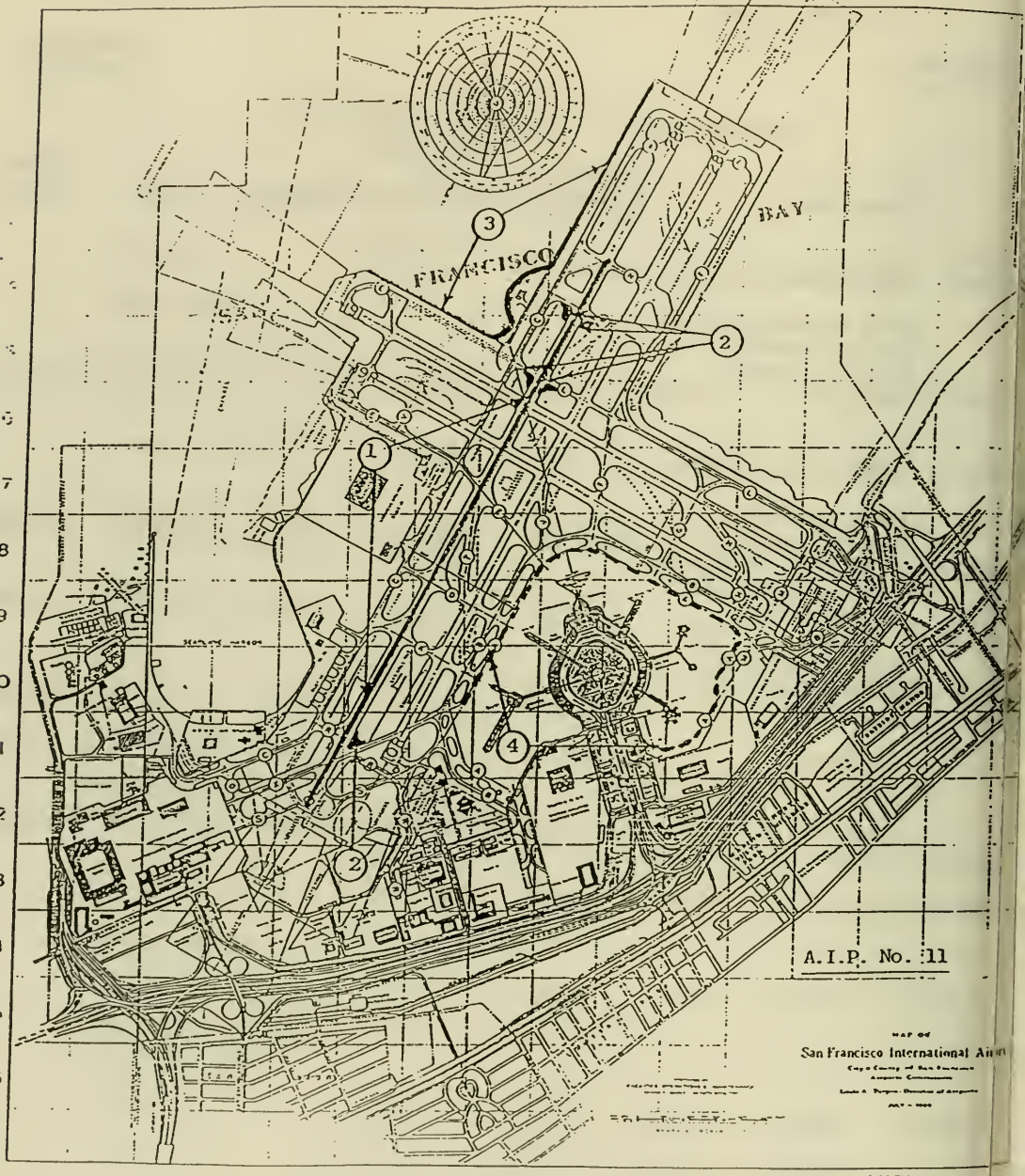
5. Attachment I of this report itemizes the funding for the twelve projects previously requested in 1986, 1987, 1988 and 1989 for which FAA funding is being withheld. Attachment II is an Airport map showing the location of the four additional projects currently proposed.

**Recommendation:** Approve the proposed resolution.

## Prior 1986, 1987, 1988 and 1989 Project Requests

| Description | Construction Estimate | Architectural Engineering and Inspection | Contingency | Total | FAA Share |
|---|---|---|---|---|---|
| **1986 Projects** | | | | | |
| Extension of Taxiway "L" to Runway 19L | $4,000,000 | $600,000 | $200,000 | $4,800,000 | $3,600,000 |
| Extension of Taxiway "V" to Taxiway "L" | 1,500,000 | 225,000 | 75,000 | 1,800,000 | 1,350,000 |
| Taxiway Repairs & Reconstruction (Taxiways DWHP & T) | 3,000,000 | 450,000 | 115,289 | 3,565,289 | 2,673,967 |
| Runway Distance Indicator Signs | 600,000 | 90,000 | 30,000 | 720,000 | 540,000 |
| Subtotal | $9,100,000 | $1,365,000 | $420,289 | $10,885,289 | $8,163,967 |
| **1987 Projects** | | | | | |
| High-Speed Exit Taxiway, Runway 19L at Taxiway F | 4,000,000 | 600,000 | 140,000 | 4,740,000 | 3,555,000 |
| Security Door System | 2,000,000 | 300,000 | 70,000 | 2,370,000 | 1,777,500 |
| Taxiway Repairs & Reconstruction of Taxiways PRB, &N | 1,750,000 | 262,500 | 62,567 | 2,075,067 | 1,556,300 |
| Field Lighting Raceway System Parallel to Existing Runways - Phase 1 | 3,000,000 | 450,000 | 150,000 | 3,600,000 | 2,700,000 |
| Subtotal | $10,750,000 | $1,612,500 | $422,567 | $12,785,067 | $9,588,800 |

| Description | Construction Estimate | Architectural Engineering and Inspection | Contingency | Total | FAA Share |
|---|---|---|---|---|---|
| **1988 Project** | | | | | |
| Field Lighting Raceway System Parallel to Existing Runways - Phase II | $11,534,000 | $2,136,000 | $570,076 | $14,240,076 | $10,680,057 |
| **1989 Projects** | | | | | |
| Field Lighting Raceway Phase III | 9,400,000 | 1,763,000 | 587,000 | 11,750,000 | 8,812,500 |
| Taxiway Repair and Reconstruction | 2,300,000 | 431,000 | 144,000 | 2,875,000 | 2,156,250 |
| Reconstruction of Airfield Perimeter Dike Phase VI | 1,330,000 | 250,000 | 82,163 | 1,662,163 | 1,246,622 |
| Subtotal | $13,030,000 | $2,444,000 | $813,163 | $16,287,163 | $12,215,372 |
| Total | $44,414,000 | $7,557,500 | $2,226,095 | $54,197,595 | $40,648,196 |




1. 1958 - Overlay & Reconstruction R/W 28R from T/W N to W. End.
2. 1644 - Construction R/W 10L Fillets @ T/W L, P, & X.
3. 2241 - Reconstruction of Airfield Perimeter Dike - Phase 7.
4. 1895 - Installation of T/W A C/L Lights & Upgrade T/W Lights

Item 2 - File 62-90-3

**Department:** Airports Commission

**Item:** Ordinance approving North Terminal Candy Store Concession Lease Agreement between A.B.C. Cigar Company and the City and County of San Francisco acting by and through its Airports Commission.

**Lessee:** A.B.C. Cigar Company

**Term:** The lease is for a five-year period with no lease extension option. The lease would commence 90 days after approval of the lease by the Board of Supervisors and ratification by the Mayor.

**Description:** 1. The lessee will occupy approximately 585 square feet in the North Terminal Building. This space is currently leased to Candy-Mann, Inc., on a five-year lease that expires on September 18, 1990. The space will be vacant between that date and the commencement of this proposed lease. The new lessee is given the right to sell candy, flowers, cards, and nuts from the specified area in the North Terminal and from up to two cart locations in the North Terminal, to be determined by the Director of Airports.

2. Prior to the commencement of the lease, the lessee will construct, furnish, and equip, at its own expense, the public retail area used for the sale of candy and other items at a minimum required investment of $100 per square foot. The minimum estimated cost of such improvements is $58,500.

3. Rental fees payable by A.B.C Cigar Company to the Airport will consist of either a minimum annual guarantee or 20 percent of gross revenues, whichever is greater. Minimum annual rental for the first year of the lease is $316,825. The minimum guaranteed rental for successive years will be adjusted in accordance with a formula based on the Consumer Price Index. However, in no event will the rental for any year be less than $316,825. Therefore, revenues to the City in excess of $1,584,125 are anticipated over the five-year period, based on the minimum annual guarantee (five years times $316,825).

**Comments:**

1. This lease was awarded on a competitive bid basis with a specified gross revenue percentage rental of 20 percent. The minimum annual guaranteed rental amount was the requested bid item. The Airport established a minimum annual guaranteed rental of $70,000. Eight bids were received. No MBE/WBE preferences are permitted on concession leases. A summary of the bids is listed below:

| Bidder | Minimum Annual Guaranteed Rental |
|---|---|
| A.B.C. Cigar | $316,825 |
| Ethel M. Chocolate | 262,404 |
| Sweet Factory | 261,101 |
| Candy Man | 234,969 |
| Kyo M. Ahn | 225,996 |
| Kayoko Derereaux | 220,000 |
| Bond Ventures | 176,001 |
| Marilla Chocolates | 135,000 |

2. During fiscal year 1989-90, the Airport received a total of $188,741 in rent revenue from Candy-Mann. The new Candy Store Concession Lease, if awarded to A.B.C. Cigar Company, will earn a minimum of $316,825 annually, an increase of $128,084 over the 1989-90 revenues received by the Airport from the current lease.

3. The Human Rights Commission (HRC) has approved A.B.C. Cigar Company's employee workforce plan. A.B.C. Cigar Company is a WBE firm. However, A.B.C. Cigar no longer has a San Francisco operating address and therefore is not certified as a WBE firm by the HRC.

**Recommendation:** Approve the proposed ordinance.

Item 3 - File 97-90-40

1. The proposed ordinance would amend Chapter 19A, Article I of the San Francisco Administrative Code by adding Section 19A.23 to permit the Department of Public Health (DPH) to enter into agreements with the Regents of the University of California to participate in clinical service and health care provider training projects. The form of the agreements would be substantially in conformance with the agreement between the City and the University of California, San Francisco (UCSF) for the Community Provider AIDS Training Project, which is on file with the Clerk of the Board of Supervisors.

2. UCSF has proposed to contract with the DPH for the services of an existing 2328 Nurse Practitioner to participate in a Community Provider AIDS Training Project. In the agreement with UCSF, the City would hold harmless the University from liabilities that may result from performing the duties described in the agreement. Ms. Paula Jesson of the City Attorney's Office states that the Board of Supervisors is the only entity that can authorize agreements in which the City holds harmless another entity. The proposed ordinance would authorize the DPH to enter into contractual agreements for clinical service and health care provider training projects in which the City holds harmless the University of California.

Comments

1. The Community Provider AIDS Training Project is a joint effort between the City and UCSF to develop, coordinate and evaluate HIV/AIDS education for public and private sector nurses, physicians and dentists in San Francisco. The 2328 Nurse Practitioner would be responsible for training the City's public health professionals. The project is being funded through a three-year Federal grant from the Health Resources and Services Administration.

2. In this contract agreement with UCSF for the Community Provider AIDS Training Project, the DPH would receive $18,100 for the salary and fringe benefits for one 2328 Nurse Practitioner for the period February 12, 1990 through August 31, 1990. According to Ms. Geri Brown of DPH, the proposed ordinance would authorize this health care provider training project agreement on a retroactive basis because the City Attorney has only recently advised the DPH that a new ordinance is required to authorize this type of agreement. Ms. Brown indicates that the Community Provider AIDS Training Project is a three-year project and that the contract agreement with UCSF will be renewed upon approval of the proposed ordinance.

2. The proposed ordinance would provide the DPH with blanket authority to enter into similar agreements with the University of California in the future. Ms. Jesson states that the level of risk to which the City would be exposed by entering into agreements with hold harmless clauses is indeterminable at this time and would depend on the nature of the projects that may arise in the future.

Recommendation

Due to the fact that the proposed ordinance would provide the DPH with blanket authority, and due to the City Attorney's uncertainty regarding the level of risk to which the City would be exposed by entering into unknown agreements with hold harmless clauses, approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to ratify action previously taken.

Memo to Finance Committee
September 12, 1990

Item 4 - File 101-88-117.2

**Department:** Parking and Traffic Commission - Parking Authority

**Proposed Action:** Release of reserved funds previously approved to acquire and develop the property at the southeast corner of Vallejo Street and Churchill Alley for a City parking facility. The funds for the parking facility were reserved pending either a negotiated agreement between the City and the property owner or condemnation of the property by the City.

**Amount:** $3,950,000

**Source of Funds:** Off-Street Parking Fund

**Description:** In March, 1989 the Board of Supervisors adopted a resolution (Number 217-89), urging the Mayor to urge the Parking Authority to take all steps necessary to acquire and develop the property at the southeast corner of Vallejo Street and Churchill Alley, commonly referred to as 735-755 Vallejo Street, for a City parking facility.

In May of 1989, the Board of Supervisors approved a Supplemental Appropriation (File 101-88-117) of $5,000,000 for the acquisition of the Vallejo/Churchill property and placed $4,950,000 on reserve pending either a negotiated agreement between the City and the property owner or condemnation of the property by the Parking Authority. The remaining $50,000 of the original $5 million appropriated for this project was released to the Parking Authority for soils and toxics analysis purposes. However, the property owner has not permitted site access and none of the $50,000 has yet been expended.

The Vallejo/Churchill property currently contains a two-level parking facility. According to the Parking Authority, the intended parking facility will consist of a seven-level structure of approximately 100,000 square feet capable of accommodating 330 vehicles and with 10,000 to 13,000 square feet of ground floor retail space to be operated by the Parking Authority. The existing two-level parking structure would be demolished.

The $5 million appropriation is for acquisition and related costs only. Mr. Phil Chin of the Parking Authority estimates construction costs for the project to

be approximately $7 million, including design costs. The project would require approximately three years to complete including the design phase. The construction and related costs would also be financed by the Off-Street Parking Fund and will be subject to a future supplemental appropriation ordinance requiring approval by the Board of Supervisors.

The Parking Authority held a public hearing on August 13, 1990, regarding acquisition of the subject property for a public parking facility. At that hearing, the Parking Authority unanimously adopted a resolution (Number 1145) to acquire 735-755 Vallejo Street by eminent domain. Resolution 1145 also authorized the City Attorney to seek an Order of Immediate Possession for 735-755 Vallejo Street on behalf of the Parking Authority. An order of Immediate Possession would permit the City to take possession of and develop the property. The Court would then, in due course, determine the value of the possessed property.

The Department of City Planning reported in August of 1988 that the acquisition of the subject property would be in conformity with the Master Plan and consistent with the priority policies of City Planning Code Section 101.1. The proposed project received a Negative Declaration Environmental Evaluation in July of 1988.

**Comments:**

1. As determined by an independent appraiser retained by the Real Estate Department, $3,950,000 is the fair market value for the existing land and improvements.

2. The Parking Authority is requesting release of the $3,950,000 at this time in order to deposit that sum with the Clerk of the Superior Court. The deposit is required prior to the Court granting an Order of Immediate Possession to permit the City to take possession of the property.

3. The total cost of acquiring the subject property will be determined by either a negotiated agreement or by the Superior Court and could cost more than the independent appraiser's $3,950,000 estimate plus the $50,000 for soils and toxics analysis. Approval of this request would leave a $1 million balance on reserve ($4,950,000 reserve less $3,950,000 requested release). Mr. Chin reports that such funds could be used for the construction phase of the proposed project.

**Recommendation:** Approve the release of the $3,950,000 for deposit of that sum with the Clerk of the Superior Court and continue to reserve $1,000,000.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Carol Wilkins
Ted Lakey

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# CALENDAR - [ACTIONS TAKEN]
## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, SEPTEMBER 19, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

ABSENT: SUPERVISOR MAHER, Items 1, 2, 13, 14, 16, and 17

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

### CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 38-90-14. [Acceptance of a Gift] Resolution accepting a gift valued at $31,000, from a donor, for use by the Volunteers' Department of Laguna Honda Hospital, for a volunteers computer system to communicate, schedule, report and track volunteer time and activities. (Department of Public Health)

   b) File 134-90-1. [Presidio Planning Grant - Department of the Interior] Resolution authorizing the Director of Planning to apply for, accept and expend funds from the Department of the Interior of up to $82,600 for a period of fifteen months for Presidio planning. (Department of City Planning)

   c) File 172-90-25. [Marine Terminal Agreement] Resolution approval of amendment to Marine Terminal Agreement between Nedlloyd Lines and the City and County of San Francisco. (Port Commission)

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d) File 270-90-21. [Mayor's Earthquake Emergency Relief Fund] Resolution approving expenditure of $750,000 for the temporary rehabilitation of two shelters to accommodate persons displaced by the October 17, 1989 earthquake. (Supervisor Hongisto)

ACTION: ITEMS 1b and 1d SEVERED. REMAINDER OF CONSENT CALENDAR RECOMMENDED.

Item 1b, File 134-90-1. CONTINUED TO 9/26/90 WITH PENDING AMENDMENT TO REDUCE TOTAL AMOUNT OF GRANT TO $80,668.

Item 1d, File 270-90-21. CONTINUED TO 9/26/90.

REGULAR CALENDAR

2. File 146-90-65. [Grant-State Funds] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to apply for, accept and expend a grant up to the amount of $99,975 from the California Department of Alcohol and Drug Programs to develop and adopt a long-range, 5-year drug and alcohol abuse plan which will combine the drug and alcohol components to the extent possible under the terms and provisions of SB No. 2599, Seymour, which amends Section 11751.4 of, and adds Division 10.6 to the Health and Safety Code. (Mayor)

(Continued from 9/12/90.)

ACTION: RECOMMENDED.

3. File 97-90-40. [Public Health Contracts] Ordinance amending Administrative Code by adding Section 19A.23, to permit the Department of Public Health to enter into agreements with the Regents of the University of California enabling the Department of Public Health to participate in clinical services and training projects. (Department of Public Health)

(Continued from 9/12/90.)

ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE ADOPTED AND FURTHER AMENDED ON Page 2, Lines 1 and 2, after "the provisions shall be" delete "in substantial conformance with". RECOMMENDED AS AMENDED.

4. File 101-90-9.1. [Final Negative Declaration] Resolution adopting Final Negative Declaration, finding and determining that the proposed construction of the San Andreas Water Treatment Plant Expansion #2 will have no significant impact on the environment and adopting and incorporating findings of Final Negative Declaration. (Supervisor Walker) (companion to File 101-90-9)

ACTION: RECOMMENDED.

5. File 101-90-9. [Government Funding] Ordinance appropriating $14,000,000, Water Department, for capital improvement project (San Andreas Plant Expansion). RO #90055. (Controller) (companion to File 101-90-9.1)

ACTION: RECOMMENDED.

6. File 101-90-10. [Government Funding] Ordinance appropriating $18,927,166, for various capital improvement projects, Fire Department, Academy of Sciences, Fine Arts Museum, Asian Art Museum, Laguna Honda Hospital and Department of Public Works. RO #90056. (Controller)

ACTION: AMENDED TO RESERVE $4,388,266 FOR ARCHITECTURAL AND ENGINEERING DESIGN WORK FOR THE FINE ARTS MUSEUMS, ASIAN ARTS MUSEUM AND THE ACADEMY OF SCIENCES; AND $2,368,000 FOR CONSTRUCTION WORK AT THE CALIFORNIA PALACE OF THE LEGION OF HONOR, TO BE RELEASED BY THE FINANCE COMMITTEE. NEW TITLE: "[Government Funding] ORDINANCE APPROPRIATING $18,927,166, FOR VARIOUS CAPITAL IMPROVEMENT PROJECTS, FIRE DEPARTMENT, ACADEMY OF SCIENCES, FINE ARTS MUSEUMS, ASIAN ART MUSEUM, LAGUNA HONDA HOSPITAL AND DEPARTMENT OF PUBLIC WORKS; PLACING $6,756,266 ON RESERVE." RECOMMENDED AS AMENDED.

7. File 101-90-11. [Government Funding] Ordinance appropriating $3,628,420, Department of Public Works, for capital improvement project (DPW Planning/Project Control and Various Buildings/Facilities Improvement). RO #90058. (Controller)

ACTION: AMENDED TO RESERVE $500,000 PENDING PROVISION OF CONSULTANT INFORMATION ON THE CONSULTANT TO PERFORM A STRUCTURAL ANALYSIS OF CITY HALL TO BE RELEASED BY THE FINANCE COMMITTEE. NEW TITLE: "[Government Funding] ORDINANCE APPROPRIATING $3,628,420, DEPARTMENT OF PUBLIC WORKS, FOR CAPITAL IMPROVEMENT PROJECT (DPW Planning/Project Control and Various Buildings/Facilities Improvement); PLACING $500,000 ON RESERVE." RECOMMENDED AS AMENDED.

8. File 101-90-13. [Government Funding] Ordinance appropriating $220,000, Controller's Office, for professional and special services and increasing $220,000 for interdepartmental recovery. (Supervisor Walker)

ACTION: AMENDED TO PLACE $220,000 ON RESERVE PENDING SUBMISSION OF CONSULTANT DATA TO BE RELEASED BY THE FINANCE COMMITTEE. NEW TITLE: "[Government Funding] ORDINANCE APPROPRIATING $220,000, CONTROLLER'S OFFICE, FOR PROFESSIONAL AND SPECIAL SERVICES AND INCREASING $220,000 FOR INTERDEPARTMENTAL RECOVERY; PLACING $220,000 ON RESERVE." RECOMMENDED AS AMENDED.

9. File 101-90-14. [Government Funding] Ordinance appropriating $120,000, City Attorney, for temporary salaries, mandatory fringe benefits, professional services, increasing $120,000 for interdepartmental recovery. (Supervisor Walker)

ACTION: RECOMMENDED.

10. File 101-90-15. [Government Funding] Ordinance appropriating $35,000, Chief Administrative Officer, for temporary salaries and mandatory fringe benefits and increasing $35,000 for interdepartmental recovery. (Supervisor Walker)

ACTION: AMENDED TO REFLECT APPROPRIATION OF FUNDS RETROACTIVELY TO JULY 1, 1990. NEW TITLE: "[Government Funding] ORDINANCE APPROPRIATING $35,000, CHIEF ADMINISTRATIVE OFFICER, FOR TEMPORARY SALARIES AND MANDATORY FRINGE BENEFITS AND INCREASING $35,000 FOR INTERDEPARTMENTAL RECOVERY; RETROACTIVE TO JULY 1, 1990." RECOMMENDED AS AMENDED.

11. File 65-90-4. [Lease Amendment] Ordinance approving sixth amendment to the stadium lease between the City and County of San Francisco by and through its Recreation and Park Commission and the San Francisco Forty Niners. (Recreation and Park Department)

ACTION: RECOMMENDED.

12. File 97-90-42. [Revolving Fund] Ordinance amending Administrative Code, by adding Section 10.160-1, to establish a separate Recreation and Park County Fair Cash Revolving Fund in the amount of $10,000. (Recreation and Park Department)

ACTION: RECOMMENDED.

13. File 127-89-7. [Event Notification] Ordinance amending Part III, Article 3, San Francisco Municipal Code (Revenue/Business Regulations) by adding Section 251.1 thereto, to require every person, firm or corporation engaged in the business of renting or letting rooms to notify the Tax Collector of the exhibition and sale of goods, wares and merchandise by a transient merchant as defined in Section 251 of this Article. (Supervisor Kennedy)

ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE (as presented by Supervisor Kennedy in Committee) ADOPTED. CONTINUED TO 10/3/90.

14. File 174-89-1. [Proposition 90] Ordinance amending Article 1 of Chapter 10 of the San Francisco Administrative Code by adding thereto Section 10.3-4, adopting the provisions of Subdivision (a) of Section 2 of Article XIIIA of the California Constitution, as amended at the November 8, 1988 election, allowing homeowners over the age of 55 to transfer base year values of their previous primary residence in another California county to a new primary residence purchased or constructed in San Francisco after the effective date of this ordinance. (Supervisor Kennedy)

ACTION: CONTINUED TO CALL OF THE CHAIR.

15. File 127-90-11. [Event Admission Tax] Ordinance amending Part III of the Municipal Code by adding Article 14, imposing an event admission tax of one dollar ($1). (Supervisor Kennedy)

ACTION: CONTINUED TO CALL OF THE CHAIR.

16. File 194-90-2. [Narcotics Forfeiture Fund - Board and Care] Resolution urging the Mayor to urge the Police Commission to allocate funds from the Narcotics Forfeiture Fund to provide care for people, whose mental health has been affected by drug abuse, in board and care facilities. (Supervisor Kennedy)

ACTION: AMENDED TO DELETE RESOLVED CLAUSE. (See File for detail.) NEW TITLE: "[Narcotics Forfeiture Fund--Board and Care] RESOLUTION URGING CONGRESS, THE STATE LEGISLATURE, AND FEDERAL AND STATE LAW ENFORCEMENT AGENCIES TO TAKE ALL ACTION NECESSARY TO AMEND FEDERAL AND STATE LAWS AND ADMINISTRATIVE REGULATIONS TO ALLOW FUNDS RECEIVED BY LOCAL AGENCIES AS A RESULT OF NARCOTICS ARRESTS AND FORFEITURES TO BE USED TO PROVIDE CARE IN BOARD AND CARE FACILITIES FOR PEOPLE WHOSE MENTAL HEALTH HAS BEEN AFFECTED BY DRUG ABUSE; REQUESTING THAT THE MAYOR TRANSMIT THIS RESOLUTION TO SAN FRANCISCO FEDERAL AND STATE LEGISLATORS, AND TO THE CITY'S LEGISLATIVE REPRESENTATIVES, WITH DIRECTION TO WORK TOWARD THE IMPLEMENTATION OF THE GOALS OF THIS RESOLUTION." RECOMMENDED AS AMENDED.

17. File 121-90-5. [Compensation] Ordinance amending Police Code by amending Section 2402 to provide for compensation to members of the Advisory Committee of Street Artists and Craftsmen Examiners. (Supervisor Walker)

ACTION: RECOMMENDED.

SPECIAL ORDER - 3:00 P.M.

NOTE: The Chair indicates that public testimony on the following item will be accepted but no action will occur today. Consideration of specific revenue proposals and specific expenditure reduction proposals will occur on Wednesday, September 26, 1990.

18. File 100-90-8. Hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health social services and criminal justice departments, as well as the poor and infirmed in our City. (Supervisors Walker, Britt, Hallinan, Alioto, Gonzalez and Ward)

(Consideration continued from September 5, 1990)

ACTION: HEARING HELD. CONTINUED TO 9/26/90.

Public Library, Documents Dept.
ATTN: Gerry Roth

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 19, 1990

**TO:** Finance Committee

**FROM:** Budget Analyst – recommendations

**SUBJECT:** September 19, 1990 Finance Committee Meeting

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Item 1a - File 38-90-14

**Department:** Laguna Honda Hospital
Volunteers Department

**Item:** Authorizing Laguna Honda Hospital Volunteers Department to accept the gift of a computerized Volunteer Services Management System, valued at $31,000.

**Description:** Laguna Honda Volunteers, Inc, a non-profit corporation, has offered to donate to the Laguna Honda Hospital Volunteers Department, a computer system called the Director of Volunteer Services Management System.

Mr. Leo Walsh from the Laguna Honda Hospital Volunteers Department, reports that the Volunteers Department currently uses a manual system to communicate, schedule, report and track volunteers time. The Laguna Honda Hospital Volunteers, Inc. has offered to donate a Director of Volunteers Services Management System, which is a computer system designed to replace the outdated manual system. The Director of Volunteers Services Management System is composed of the following:

| | |
|---|---|
| Hardware System | $19,000 |
| Application Support | 3,000 |
| Installation | 3,000 |
| Software | 3,000 |
| Software Support (12 months after installation) | 1,000 |
| Hardware Maintenance Support Program | 2,000 |
| Total Cost | $31,000 |

The Management System would keep track of the estimated 700 volunteers at Laguna Honda Hospital. The System would track volunteer hours, record volunteer hours by program, schedule volunteers time and organize a mailing list to inform current and future volunteers of upcoming events at the Hospital.

**Comment:** Mr. Leo Walsh reports that Laguna Honda Hospital Volunteers, Inc. and Laguna Honda Volunteers Department have an agreement that Laguna Honda Volunteers, Inc. will pay an annual estimated amount of $2,000 for all future software and maintenance costs. Mr. Walsh states that all software and maintenance costs would be charged directly to a separate reserve account established by Laguna Honda Volunteers, Inc.

**Recommendation:** Approve the proposed resolution.

Memo to Finance Committee
September 19, 1990

Item 1b - File 134-90-1

**Department:** Department of City Planning

**Item:** Resolution to apply for, accept and expend a new grant.

**Amount of Grant:** $82,600

**Source of Grant:** U.S. Department of the Interior, National Park Service

**Grant Period:** August 13, 1990 through November 12, 1991

**Project:** Presidio of San Francisco Planning Activity

**Project Description:**

The proposed grant would fund a project to implement the Memorandum of Understanding (MOU) between the Mayor and the General Superintendent, Golden Gate National Recreation Area (GGNRA), concerning planning activities for the jurisdictional transfer of the Presidio of San Francisco (Presidio) from the Department of Defense to the Department of the Interior, National Park Service.

The National Park Service is currently preparing to assume management responsibility for the Presidio and as an initial step intends to prepare an amendment to the GGNRA's General Management Plan covering the Presidio area.

According to the Department of City Planning, the Presidio represents a significant percentage of the City's land area and is extremely important to the City in its cultural, social, and economic aspects. It is desirable that the City's planning scope include all lands within the City's limits and that the plans and policies of the City and the National Park Service be coordinated.

The Memorandum of Understanding between the City and the GGNRA specifies that the Department of City Planning assign a staff member to participate as part of the multi-disciplinary team on Presidio planning matters. The planner assigned would be responsible for day-to-day coordination between the City and the National Park Service and for leadership of a task group representing City departments. The MOU specifies that the National Park Service, subject to Congressional appropriations, provide funding for such a staff member for the duration of the planning process.

**Grant Budget:**

According to Ms Martha Kessler of the Department of City Planning, the $82,600 requested in the Resolution should be reduced to $80,668, which is the amount actually required for funding one position for the period August 13, 1990 through November 12, 1991. The funds would be allocated as follows:

| | |
|---|---|
| Civil Service Salaries (1.0 FTE) | $63,921 |
| Mandatory Fringe Benefits | 16,747 |
| Total | $80,668 |

**Indirect Cost Rate:**

None

**Required Match:**

None

**Comment:**

1. The MOU specifies that the agreement shall remain in effect for the duration of the planning process, which is expected to last a maximum of three years. This request represents funding for an initial fifteen month period. The Department anticipates that additional funding will be sought for subsequent planning activities.

2. The Department of City Planning has hired a staff person to perform the Presidio planning functions and that person has been performing those functions since August 13, 1990.

**Recommendation:**

Amend the legislation to reduce the grant amount by $1,932 from $82,600 to $80,668 to reflect the actual amount required by the Department to fund one position for fifteen months. Approve the legislation as amended.

Item 1c - File 172-90-25

**Department:** Port of San Francisco

**Item:** Resolution approving an amendment to the Marine Terminal Agreement between Nedlloyd Lines and the City and County of San Francisco.

**Location:** San Francisco Port, North Container Terminal, at the east end of Army Street.

**Description:** On March 31, 1990, a five-year Marine Terminal Agreement between Nedlloyd Lines and the San Francisco Port Commission expired. On April 1, 1990, the Port initiated another five-year Marine Terminal Agreement with Nedlloyd Lines for use of its North Container Terminal, which extended the provisions of the prior five-year agreement.

Pursuant to Section 3.502 of the Charter of the City and County of San Francisco, the Board of Supervisors must approve amendments and modifications to contracts which have anticipated revenue in excess of $1,000,000 or more. Under the initial five-year Marine Terminal Agreement as well as the extended five-year agreement with Nedlloyd Lines, the anticipated annual revenues, which included wharfage, dockage, and crane rental fees, was approximately $222,000. These agreements were under the $1,000,000 annual revenue requirement and therefore they were not subject to review by the Board of Supervisors.

However, Nedlloyd Lines has recently selected to utilize the Port of San Francisco as their central location point ("hub") on the West Coast for services from South America, Central America, the Caribbean and the Far East. Due to the expansion, Nedlloyd Lines chose to amend the 1990-95 Agreement with the Port to reflect the expanded use of the North Terminal. Due to the expanded use, Mr. Roger Peters from the Port estimates the Port would generate $10,105,000 over the five-year term from wharfage, dockage, and crane rental. Therefore the proposed resolution would authorize the First Amendment to the five-year 1990-95 Marine Terminal Agreement between the Port Commission and Nedlloyd Lines to reflect the expanded use.

Under the proposed amended agreement, wharfage and dockage would be assessed on a per TEU* basis according to a sliding scale. Wharfage is a charge against the amount of cargo that is loaded and unloaded on Port property, and dockage is a charge for parking ships at Port Facilities. Crane rental includes loading and unloading the cargo that is brought through the Port and crane rental fees are assessed on a per hour basis. Under the amended five-year agreement, crane rental fees will remain at $300 per hour.

During the period from April 1, 1990 through August 31, 1990, Nedlloyd Lines paid fees according to the schedule outlined in the prior 1985-1990 five-year agreement. From September 1, 1990 through the final adoption of the proposed amended agreement, Nedlloyd has agreed to pay fees according to the proposed schedule as outlined in this report.

The proposed amended 1990-95 agreement includes the following provisions :

Section 2.02 Term; Termination

Under the proposed amended agreement, the fees for the five-year term for wharfage and dockage would commence on September 1, 1990, rather than the original commencement date of April 1, 1990. The amended agreement also states that the agreement may be terminated by either party at the end of any contract year with written notice. However, termination rights cannot be executed until after the end of the first contract year.

Section 4.02 Fees for Use

Nedlloyd Lines guarantees an annual minimum of 49 vessel calls for vessels owned, chartered, operated, managed, or controlled by Nedlloyd Lines and guarantees a minimum annual volume of 23,000 TEUs or 115,000 TEUs over five years, loaded to or discharged from vessels (excluding empty containers). This agreement is known as the Thruput Guarantee.

* Twenty foot equivalent units (TEU) are standard size shipping containers measuring 20 ft. long by 8 ft. high by 8 ft. wide.

Wharfage

Under the proposed amended five-year contract, the following rates would apply for wharfage:

| TEU | Cost Per TEU |
|---|---|
| From 1 through 30,000 | $33 |
| Next 30,001 through 40,000 | $28 |
| All TEUs over 40,001 | $27 |

The fees from the agreement initiated in April 1990, provided for wharfage fees ranging from $54 for 1 through 1,500 TEUs to $30 for 20,001 or more TEUs.

The proposed amended agreement includes discounted wharfage rates for empty containers. Wharfage on empty containers would be 50 percent of the posted tariff, or approximately $3.48 per TEU as compared to the 1985-90 agreement which imposed wharfage on empty containers at a flat rate of $4.17 per TEU. The Port is unable to provide an estimate of the 1990-1995 annual revenue that would be received from Nedlloyd Lines for empty containers, however, the average annual revenue the Port received in the 1985-90 agreement was approximately $133. The wharfage on breakbulk cargo* would remain the same rate as agreed upon in the original contract of $2.79 per revenue ton.

In the event the total contract-guaranteed volume (23,000 TEUs per year or 15,000 TEUs over five years) is not achieved, Nedlloyd Lines would pay the difference between the total guaranteed contract volume and the amount of TEUs actually achieved at the prevailing rate of the contract term. The prevailing rate would be the proposed amount for the 1 through 30,000 category which is $33 per TEU.

The proposed amended agreement states that in the event of early termination of the Agreement, Nedlloyd Lines' obligations to the TEU guarantee would be pro rated based on the percentage of the five-year term that has elapsed. The percentage would then be applied to the total guaranteed contract volume. In the event that Nedlloyd Lines has not met the revised guaranteed contract volume prior to the effective date of any early termination, it would pay the Port for the shortage at the prevailing rate for TEUs 1 through 30,000, as of the effective date of termination.

* Breakbulk cargo is any item that is not shipped in a container, i.e, automobiles, tractors or coffee.

Dockage

Dockage fees are assessed according to the imposed tariffs. (The tariff is calculated by the number of vessel calls, the length of the vessel and the amount of time the vessel is in Port). In consideration of the minimum annual guarantee of 49 vessel calls, Nedlloyd Lines would pay dockage fees at a 60 percent reduction from the posted tariff. This would result in estimated annual revenue of approximately $107,000. Dockage on all calls over 70 per contract year will be assessed at a 75 percent reduction from the posted tariff. In the April 1990 agreement, Nedlloyd Lines would pay a 60 percent reduction of the current tariff on dockage charges.

Section 4.03 Calculation of Initial Fees

Within the initial 90 days of the amended new commencement date of September 1, 1990, the Port and Nedlloyd Lines would mutually determine the fees due to the Port from wharfage and dockage, for the period April 1, 1990 through August 31, 1990. In order to provide the proposed September 1, 1990 through August 31, 1995 reduced rates to Nedlloyd Lines for their expanded use of wharfage and dockage during the legislative approval process, any amount paid in excess to the Port, would be refunded retroactively to Nedlloyd Lines.

Section 4.04 Compensation Adjustment

The proposed amended agreement states that if a possessory interest tax is placed upon Nedlloyd Lines' operation, then Nedlloyd Lines' charges owed to the Port for wharfage and dockage would be decreased by the amount of possessory interest tax paid by Nedlloyd Lines, provided that the reduction does not exceed the amount of revenue collected by the Port under the proposed amended agreement in any contract year.

**Comments:**

1. Mr. Roger Peters of the Port reports that the Assessor's Office has a difficult time determining the fraction of time a vessel is actually in Port, therefore, possessory interest tax is very rarely charged to shipping companies. However, should a tax be imposed to Nedlloyd Lines, the Port has agreed to cover 50 percent of the charge though a reduction of fees owed to the Port.

2. According to Ms. Louise Anderson of the Port, the Port revenue generated from the five months of April 1, 1990 through August 31, 1990 is a total of approximately $117,000 which consists of approximately $75,000 for wharfage, approximately $17,000 for dockage and $25,000 for crane rental. As previously stated, these fees were all charged under the renewal fees of the original agreement which was initiated on April 1, 1990. As of September 1, 1990, the amended rates would be in effect.

3. Ms. Anderson estimates that the proposed amended agreement would result in total annual revenues to the Port of approximately $2,000,000, including approximately $1,000,063 from wharfage, $126,000 from dockage and $873,937 from crane rental, which is approximately $1,778,000 more than the 1985-90 agreement's annual total revenues of approximately $222,000 ($140,000 from wharfage, $28,000 from dockage, and $54,000 from crane rental) generated under the current agreement.

**Recommendation:** Approve the proposed resolution.

Item 1d - File 270-90-21

**Departments:** Mayor's Office
Department of Social Services

**Item:** Resolution approving expenditure of $750,000 for the rehabilitation of two shelters to accommodate persons displaced by the October 17, 1989 earthquake.

**Description:** The proposed legislation would approve expenditure of $750,000 for the long-term rehabilitation of two shelter facilities which have recently opened to provide shelter and support services to the City's homeless population. The two shelters are as follows:

1. Pierce-Arrow Building - 1001 Polk Street
This shelter, which is operated by Episcopal Community Services, provides 225 shelter beds for men and women, of which 25 are designated for respite care.

2. South of Market - 525 Fifth Street
This shelter, which is operated by St. Vincent de Paul, provides 200 shelter beds for men.

Both facilities are designed as 24-hour multi-service centers and are gearing up to provide the following services:

(1) Counseling and case management services including mental health, substance abuse and information regarding government assistance programs.

(2) Storage space for personal possessions, fully equipped showers and bathrooms, mailboxes and telephones.

(3) Space for other agencies and non-profit organizations to provide counseling for veterans, housing referrals, job training, legal assistance and literacy training.

**Comment:** Ms. Carla Javits of the Department of Social Services reports that the Department is in the process of preparing the background information and budget details on the proposed expenditure of $750,000 for the long-term rehabilitation of the two homeless shelters. Additionally, the Department is preparing information and budget details on two separate proposals that are related to the two homeless shelters. These two related proposals are tentatively scheduled to be heard by the Finance Committee on September 26, 1990. Ms. Javits advises that since all three proposals are interrelated, the Department would prefer to have the three proposals heard together. Therefore, the Department is requesting that this

resolution be continued to the Finance Committee meeting on September 26, 1990.

**Recommendation:** Continue the resolution to the Finance Committee meeting on September 26, 1990 as requested by the Department of Social Services.

Item 2 - File 146-90-65

**Note:** This item was continued by the Finance Committee at its meeting of September 12, 1990.

**Department:** Department of Public Health (DPH), Community Substance Abuse Services (CSAS)

**Item:** Resolution to apply for, accept and expend a new State grant.

**Grant Amount:** Up to $99,975

**Source of Grant:** State Department of Alcohol and Drug Programs

**Grant Period:** August 1, 1990 through June 30, 1991

**Project:** Preparation of a Comprehensive Five-Year Plan for Substance Abuse Services in San Francisco

**Description:** The proposed grant would fund the development of a five-year master plan to reduce alcohol and drug abuse in San Francisco. The DPH proposes to use the funds for contractual services to conduct a needs assessment, inventory of services and identification of departmental and community planning efforts related to alcohol and drug abuse. A portion of the efforts would involve coordination of services with the San Francisco Unified School District (SFUSD). The DPH also proposes to conduct a series of eight all-day community planning conferences to be hosted in various neighborhoods, and to sponsor an alcohol and drug symposium for City department heads, policy makers, community leaders and the media.

The proposed grant is being made pursuant to SB 2599, which was enacted by the State Legislature in September of 1988. SB 2599 provides for the development of five-year State and County master plans in order to maximize resources for drug and alcohol abuse programs and to identify funding priorities for the State. The DPH reports that a percentage of future State Alcohol and Drug Program funding will be set aside to fund priority alcohol and drug services only to those counties with State-approved Five Year County Master Plans.

The DPH proposes to contract with the Friendship House Association of American Indians, Inc., which is a non-profit organization, for consultation, coordination and needs assessment services for this project. The DPH indicates that the contract would be awarded to the Friendship House on a sole source basis because the limited duration of the project does not allow the DPH to issue a request for proposals. The

DPH reports that the Friendship House currently provides similar services for the City.

**Grant Budget:**

| | | |
|---|---|---|
| Contractual Services | | |
| Personnel | | |
| Planner (1.0 FTE) | $40,000 | |
| Planning Asst. (1.0 FTE) | 25,000 | |
| SFUSD Planner (30 hrs @ $50/hr) | 1,500 | |
| Subtotal Personnel | | $66,500 |
| Equipment | | |
| One Macintosh SE/30 computer | | 5,000 |
| Local Travel | | |
| 3,000 miles @ $0.25/mile | | 750 |
| Printing/Duplicating | | 1,000 |
| Planning Events/Activities | | 14,728 |
| Administrative Overhead (12 percent) | | 11,997 |
| Total Contractual Services (Grant Budget) | | $99,975 |

**Indirect Cost Rate:** None

**Required Match:** None

**Comments:**

1. The CSAS would contribute in-kind services totalling $12,652 for salaries and fringe benefits for an existing Health Program Coordinator II to serve half-time for six months as the project coordinator to oversee the preparation of the comprehensive five-year plan for San Francisco. These in-kind services are not required by the grant.

2. Dr. Wayne Clark of CSAS reports that the State budget cuts are not expected to affect the proposed grant because the State has already appropriated the funds for this program.

3. Dr. Clark indicates that the proposed Five-Year Plan will include strategies for the expansion and contraction of services to address future funding changes and will also include a discussion of the policies for methadone treatment programs.

4. The DPH has prepared a "Summary of Grant Request," which is attached.

**Recommendation:** Approve the proposed resolution.

Attachment

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

State of California

Grantor Department of Alcohol and Drug Programs Division Mental Health, Substance Abuse & Forensics/CSAS

Contact Person Various Section Wayne Clark, Ph.D.

Address 1700 K Street Contact Person

Sacramento 95814 Telephone 855-3500

Amount Requested $ 99,975 Application Deadline N/A

Term: From 8/1/90 To 6/30/91 Notification Expected 8/90

Health Commission 8/14/90 Board of Supervisors: Finance Committee _____

Full Board _____

I. Item Description: (Circle appropriate words)

Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 99,975 from the period of 8/1/90 to 6/30/91 to provide a comprehensive 5-year plan for substance abuse services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)

Please refer to Page 1b attached.

III. Outcomes/Objectives:

Please refer to Page 1b attached.

IV. Effects of Reduction or Termination of These Funds:

This project terminates June 30, 1991 with no renewal or extension. Any consultant services terminate at that time. Reduction of funds for this project is not feasible as it would jeopardize the project.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | N/A | N/A | $99,975 | N/A | N/A | |
| Personnel | | | -0- | | | |
| Equipment | | | -0- | | | |
| *Contract Svc. | | | 99,975 | | | |
| Mat. & Supp. | | | -0- | | | |
| Facilities/Space | | | -0- | | | |
| Other | | | -0- | | | |
| Indirect Costs | | | -0- | | | |
| VI. Data Processing (costs included above) | | | -0- | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | -0- | | | |
| P/T CSC | | | -0- | | | |
| Contractual | | | 2.00 | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

*VIII. Contractual Services: Open Bid _____ Sole Source XXX (if sole source, attach Request for Exemption Form)

Item 3 - File 97-90-40

**Note:** This item was continued by the Finance Committee at its meeting of September 12, 1990 after the Committee moved an Amendment of the Whole. The following report addresses the Amendment of the Whole.

The proposed ordinance would amend Chapter 19A, Article I of the San Francisco Administrative Code by adding Section 19A.23 to permit the Department of Public Health (DPH), with the approval of the Health Commission, to enter into agreements with the Regents of the University of California to participate in clinical service and health care provider training projects. The form of the agreements would be substantially in conformance with the agreement between the City and the University of California, San Francisco (UCSF) for the Community Provider AIDS Training Project, which is on file with the Clerk of the Board of Supervisors.

UCSF has proposed to contract with the DPH for the services of an existing 2328 Nurse Practitioner to participate in a Community Provider AIDS Training Project. In the agreement with UCSF, the City would hold harmless the University from liabilities that may result from performing the duties described in the agreement. Ms. Paula Jesson of the City Attorney's Office states that the Board of Supervisors is the only entity that can authorize agreements in which the City holds harmless another entity. The proposed ordinance would authorize the DPH to enter into contractual agreements for clinical service and health care provider training projects in which the City holds harmless the University of California.

Comments

1. The Community Provider AIDS Training Project is a joint effort between the City and UCSF to develop, coordinate and evaluate HIV/AIDS education for public and private sector nurses, physicians and dentists in San Francisco. The 2328 Nurse Practitioner would be responsible for training the City's public health professionals. The project is being funded through a three-year Federal grant from the Health Resources and Services Administration.

2. In this contract agreement with UCSF for the Community Provider AIDS Training Project, the DPH would receive $18,100 for the salary and fringe benefits for one 2328 Nurse Practitioner for the period February 12, 1990 through August 31, 1990. According to Ms. Geri Brown of DPH, the proposed ordinance would authorize this health care provider training project agreement on a retroactive basis because the City Attorney has only recently advised the DPH that a new ordinance is required to authorize this type of agreement. Ms. Brown indicates that the Community Provider AIDS Training Project is a three-year project and that the contract agreement with UCSF will be renewed upon approval of the proposed ordinance.

3. The proposed ordinance would provide the DPH with blanket authority to enter into similar agreements with the University of California in the future. Ms. Jesson states that the level of risk to which the City would be exposed by entering into agreements with hold harmless clauses is indeterminable at this time and would depend on the nature of the projects that may arise in the future.

Recommendation

Due to the fact that the proposed ordinance would provide the DPH with blanket authority, and due to the City Attorney's uncertainty regarding the level of risk to which the City would be exposed by entering into unknown agreements with hold harmless clauses, approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board approves the proposed ordinance, amend the legislation to ratify action previously taken.

Items 4 and 5 - Files 101-90-9.1 and 101-90-9

**Department:** Public Utilities Commission (PUC)
Water Department

**Items:** Resolution adopting Final Negative Declaration which finds and determines that the proposed construction of the San Andreas Water Treatment Plant Expansion #2 will have no significant impact on the environment (File 101-90-9.1).

Supplemental Appropriation Ordinance to provide additional funds for the expansion of the San Andreas Water Treatment Plant (File 101-90-9).

**Amount:** $14,000,000

**Source of Funds:** Interest earned from 1985 Water Revenue Bonds

**Description:** The proposed project is the expansion of the existing San Andreas Water Treatment Plan (SAWTP) at the San Andreas Reservoir in the hills above the City of Millbrae in San Mateo County. The Water Department is proposing to expand the SAWTP from a capacity of 120 million gallons per day (mgd) to 180 mgd, an increase of 60 mgd or 50 percent. A capacity of 180 mgd will simplify operation of the water system on the Peninsula under maximum day conditions. The proposed expansion is necessary to provide enough treatment capacity to insure that Peninsula customers receive uninterrupted service during planned maintenance activities of major transmission facilities, such as the Pulgas Tunnel.

On-site facilities would consist of a new eight million gallon treated water reservoir, new ozone facilities, improvements to the existing raw water pumping station and pipeline, improvements to two outlet towers on the San Andreas Reservoir and a new PG & E substation. Off-site facilities would consist of the installation of a new pressure reducing valve station at Capuchino High School in San Bruno, the upgrading of facilities at Crystal Springs Pump Station and the upgrading of facilities at the Pulgas Pump Station (Attachment 1).

In addition to accomplishing the objective of furnishing an uninterrupted supply of water to its customers while providing necessary inspections, maintenance and repairs, the proposed project would allow the City to meet proposed and anticipated future Federal and State drinking water regulations concerning disinfection. The proposed project would also reduce usage of other treatment chemicals, as well as increasing operational flexibility and reliability of the existing treatment plant.

The proposed project expansion would provide for additional improvements and upgrades as follows:

- Rehabilitation of existing six filters, plant modifications, and site work in place of the construction of two additional filters, identical in size and configuration to the existing ten filters.

- Additional improvements to four 450 Hp pumps and one 150 Hp pump and electrical upgrade at the Raw Water Pump Station.

- Upgrade to 450 lineal feet of 66-inch diameter pipeline from the Raw Water Pump Station to the treatment plant.

- Added costs associated with a design upgrade to the treated water storage reservoir.

- Changes to the Ozonation Facility with capacity to treat 180 mgd flow rate.

- Rehabilitation of the San Andreas Reservoir Outlet structures.

- Construction of pressure reducing station.

- Rehabilitation of the San Andreas Outlet No. 3 Pipeline.

**Project Budget:** The original and revised budgets for the proposed San Andreas Water Treatment Plant Expansion are as follows:

| | Original Budget | Revised Budget | Additional Funds Req'd |
|---|---|---|---|
| Utilities Engineering Bureau | | | |
| Project Management | $300,000 | $300,000 | $ 0 |
| Engineering Services | 420,000 | 420,000 | 0 |
| Construction Engineering | 910,000 | 910,000 | 0 |
| Other Direct Costs | 90,000 | 90,000 | 0 |
| Subtotal | 1,720,000 | 1,720,000 | 0 |
| Other City Departments | | | |
| Water Department | 510,000 | 510,000 | 0 |
| City Planning Department | 20,000 | 20,000 | 0 |
| Department of Public Works | 30,000 | 30,000 | 0 |
| Arts Commission | 0 | 72,000 | 72,000 |
| Subtotal | 560,000 | 632,000 | 72,000 |
| Consultant Services | | | |
| Conceptual Design Phase | 300,000 | 696,000 | 396,000 |
| Detailed Design | 800,000 | 2,440,000 | 1,640,000 |
| Construction Support | 230,000 | 700,000 | 470,000 |
| Verification Consultant | 0 | 74,000 | 74,000 |
| Subtotal | 1,330,000 | 3,910,000 | 2,580,000 |
| Construction Contracts | 14,000,000 | 24,870,000 | 10,870,000 |
| Contingency | 3,390,000 | 3,868,000 | 478,000 |
| Total Budget | $21,000,000 | $35,000,000 | $14,000,000 * |

* Subject of this legislation

As reflected above, total cost for construction is $24,870,000 which is divided between $7,200,000 for the subject San Andreas Water Treatment Plant buildings and $17,670,000 for non-building improvements such as pipelines, pumps and filters (Attachment 2). The $72,000 for the Arts Commission represents one percent of the $7.2 million for the actual construction of buildings as negotiated with the Arts Commission. The $72,000 will pay for works of art on the site of the project, as determined by the Arts Commission.

The Consultant Services revised budget amount of $696,000 for the Conceptual Design Phase and $2,440,000 for the Detailed Design of the project is divided between MBE/WBE firms and non-MBE/WBE firms as follows:

| | | |
|---|---|---|
| Conceptual Design Phase: | | |
| MBE | | |
| Allstate Geotechnical Services | $ 31,779 | |
| Raymond Brooks Engineering | 6,000 | |
| Eureka Labs | 20,000 | |
| F. E. Jordan & Associates | 19,225 | |
| Peter Lee | 4,000 | |
| T. Y. Lin International | 16,478 | |
| Stevens & Associates | 30,000 | |
| John Warren & Associates | 10,000 | |
| Subtotal | | $137,482 |
| WBE | | |
| LSA Inc. | 8,000 | |
| Andrea Lucas, ASLA | 10,690 | |
| Subtotal | | 18,690 |
| Prime Contractor (Non-MBE/WBE) | | |
| Camp, Dresser & McKee, Inc. | | 539,828 |
| Total Conceptual Design Phase | | $696,000 |
| Detailed Design: | | |
| MBE | | |
| Allstate Geotechnical Services | $26,629 | |
| Raymond Brooks Engineering | 54,946 | |
| F. E. Jordan & Associates | 103,915 | |
| Peter Lee | 9,720 | |
| Stevens & Associates | 165,393 | |
| Villa Lobos | 157,297 | |
| Subtotal | | $517,900 |
| WBE | | |
| F. Burnstein | 129,712 | |
| LSA Inc. | 69,851 | |
| Andrea Lucas, ASLA | 39,578 | |
| S. F. Design | 80,802 | |
| Subtotal | | 319,943 |
| Non MBE/WBE | | |
| Camp, Dresser & McKee Inc. | 1,388,494 | |
| L. Casselman | 8,111 | |
| LSI Inc. | 30,152 | |
| Subtotal | | 1,426,757 |
| Additional Work (Unspecified) | | 175,400 |
| Total Detailed Design | | $2,440,000 |

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

The Conceptional Design Phase totalling $696,000 includes an increase of $396,000 and the Detailed Design Phase totalling $2,440,000 includes an increase of $1,640,000 both components of the subject legislation.

A total of $700,000, including an additional $470,000 identified in this legislation, has been set-aside for Construction Support and represents approximately 2.8 percent of the total construction cost of $24,870,000 for the proposed project. These funds are reserved to pay for additional costs of the prime and sub-contractors on an as needed basis to provide further services in the review of plans and specifications and to verify appropriate materials during the construction phase of the project.

The additional $74,000 for a Verification Consultant has been awarded to the MBE firm of Kramer, Chin & Mayo, which is providing on-going auditing services for the project.

The estimated cost of actual construction is divided into ten phases as identified in Attachment 2. The original estimated construction cost has been increased $10,870,000 from $14,000,000 to $24,870,000.

An amount of $3,868,000 or 11.1 percent of the estimated total project cost of 35,000,000 has been set aside for a Contingency. This includes an additional $478,000 subject to this legislation.

**Comments:**

1. According to Ms. Elaine Cartwright of the Water Department, construction specifications will go out to bid in October of 1990 and the award of the construction contracts is expected by December 11, 1990. Based on this schedule construction should start in January of 1991 and should be completed in June of 1992.

2. Ms. Jean Mariani of the PUC Finance Bureau advises that funds from the 1985 Water Revenue Bonds have been invested to provide sufficient interest to fund the proposed plan changes in the subject supplemental appropriation. PUC, with the assistance of the City Treasurer, has invested $73 million in bond funds in 1987 with the expectation that by June of 1992 a total of $90 million will be available for project development. The Board of Supervisors has previously appropriated $76 million for other Water Department projects, thus leaving $14 million in anticipated revenue from the subject bonds and accrued interest to be appropriated for the subject legislation.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. The SAWTP Expansion includes a general contingency of $3,868,000 as reported above. According to Mr. Mits Naito, Senior Project Manger for the Water Department, an additional design contingency of $952,000 has been built into the proposed project's construction component. Mr. Naito advises that the additional design contingency is primarily associated with unanticipated project design changes related to new project technologies. These amounts total $4,820,000 or 13.8 percent of the total estimated $35 million project cost. This amount for contingencies is reasonable due to the substantial amount of underground construction.

4. On July 26, 1990, the Department of City Planning adopted and issued a final negative declaration for the subject project which has determined that the proposed construction would have no significant impact on the environment.

5. A total of $175,400 has been identified in the project budget as unspecified additional work for detailed design. These funds should be reserved until the Water Department determines how they will be allocated.

**Recommendation:** 1. Approve the proposed resolution adopting the Final Negative Declaration (File 101-90-9.1).

2. Amend the proposed Supplemental Appropriation ordinance (File 101-90-9) to reserve $175,400 in unspecified design costs and approve the proposed Supplemental Appropriation ordinance as amended.

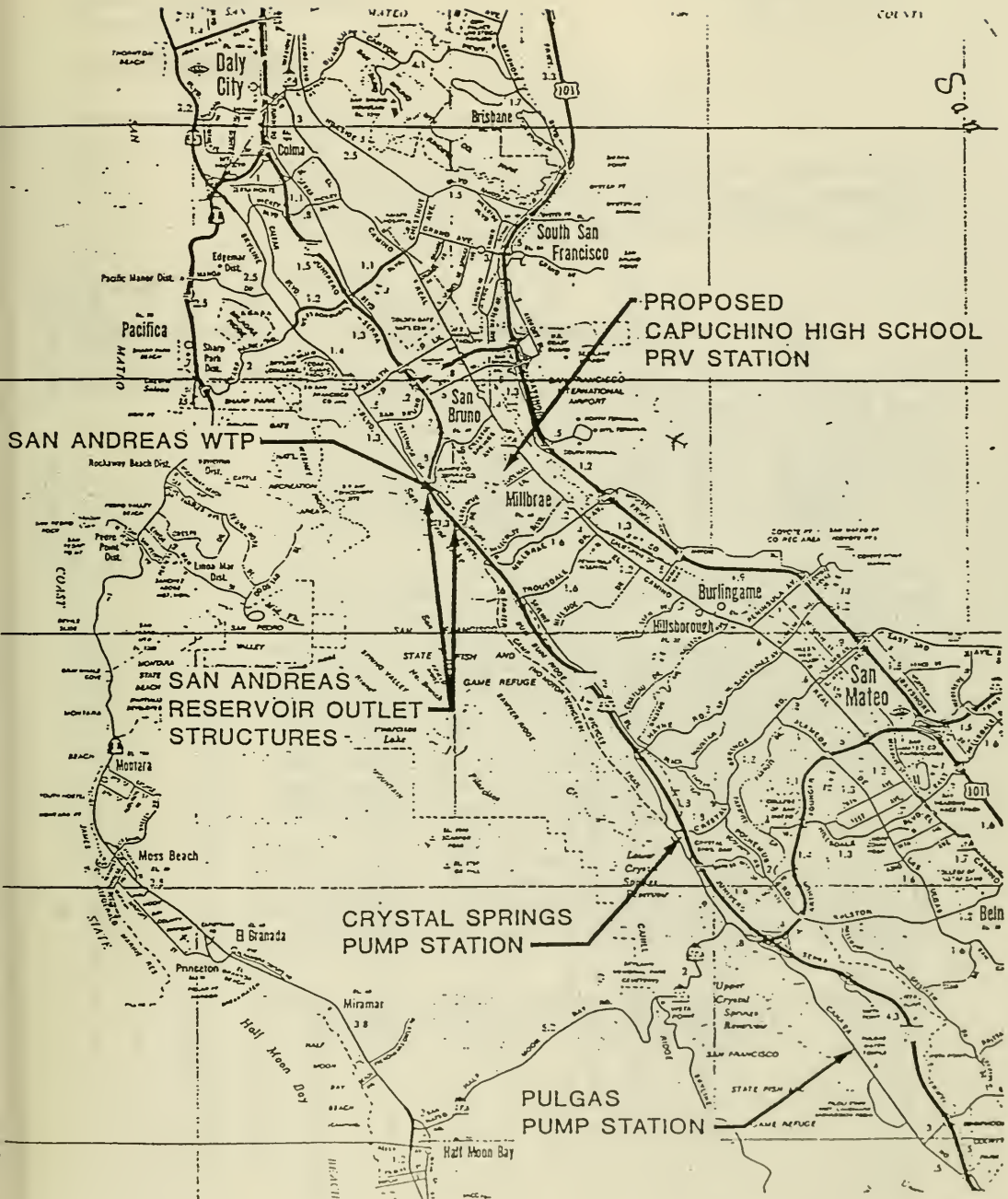


Figure 1

LOCATION MAP
SAN ANDREAS WTP
AND OFF-SITE FACILITIES

State Auto Assoc. Map

Construction Cost Estimate

W922 - San Andreas WTP Expansion to 180 mgd and Pump Station Improvements

| | Original Estimate | Latest Estimate |
|---|---|---|
| 1. Two (2) Additional filters, identical in size and configuration to the existing ten (10) filters. | $ 1,790,000 | -0- |
| 2. Four (4) 450 Hp pumps and one (1) 150 Hp pump and electrical upgrade at Raw Water Pump Station. | 1,290,000 | $ 2,304,000 |
| 3. 450 lineal feet of 66-inch diameter pipeline from the Raw Water Pump Station to the treatment plant. | 311,000 | 406,000 |
| 4. Treated water storage reservoir. | 4,170,000 | 5,640,000 |
| 5. Ozonation Facility with capacity to treat 180 mgd flow rate. | 5,700,000 | 8,925,000 |
| 6. Crystal Springs Pump Station Improvements. | 739,000 | 400,000 |
| Added Scope Changes | | |
| 7. Rehabilitate existing six (6) filters, Plant modifications, and site work. | - | 4,936,000 |
| 8. Rehabilitate San Andreas Reservoir Outlet Addit structures. | - | 1,042,000 |
| 9. Pressure Reducing Station. | - | 717,000 |
| 10. Rehabilitate San Andreas Outlet No. 3 Pipeline. | - | 500,000 |
| | $14,000,000 | $24,870,000 |

Item 6 - File 101-90-10

**Department:** Department of Public Works (DPW)

**Item:** Supplemental Appropriation Ordinance for various Capital Improvement Projects in the Fire Department, Academy of Sciences, Fine Arts Museum, Asian Art Museum, Laguna Honda Hospital, and Public Works for Fiscal Year 1990-91

**Amount:** $18,927,166

**Source of Funds:** 1989 Earthquake Safety Bond funds.

**Description:** In November of 1989, San Francisco voters authorized the sale of $59.7 million of General Obligation bonds to fund capital improvements to improve earthquake safety in City buildings. In March of 1990, the Board of Supervisors approved a Supplemental Appropriation request in the amount of $1,572,834 to initiate design and engineering work on various City buildings.

Referred to as a Pre-Bond Sale Supplemental Appropriation, the $1,572,834 was appropriated out of the General Fund and represents the initial start-up costs of rehabilitating the various City buildings specified. In addition, legal costs of the City Attorney ($60,000) and financial costs of the Controller ($100,000) were included in the Pre-Bond Supplemental request. The City subsequently sold $20,500,000 of General Obligation bonds in the Spring of 1990. From the proceeds of this bond sale, the General Fund was subsequently reimbursed the costs including the accrued interest for the pre-bond supplemental appropriation.

The proposed supplemental appropriation ordinance would allocate the remaining $18,927,166 ($20,500,000 less $1,572,834) of these bond proceeds for design and construction to rehabilitate the various buildings and facilities specified in the bond sale.

The requested $18,927,166 is allocated as follows (For details on the Project Costs, refer to the Attachment):

**Fire Department** - The proposed funding would be used for design and construction costs to seismically strengthen various Fire Department stations. Funds would also be allocated for asbestos removal and disability access. $6,712,240

**Academy of Sciences** - The proposed funding would provide for construction costs related to the full renovation of Cowell Hall and the first 30% of the renovation of the IZG/Research Facility. Funding for the remaining 70% for the IZG Research Facility would come from subsequent phases of the Earthquake Bond Sale. $2,924,730

**Fine Arts Museum** - The proposed funds would provide for design and the first 30% of the construction costs for rehabilitating the Palace of the Legion of Honor. Funding for the remaining 70% for the Legion of Honor would come from subsequent phases of the Earthquake Bond Sale. 5,072,732

**Asian Art Museum** - The proposed funding would provide funds to retain architectural and engineering consultants as well as other professional consultants to perform design and condition studies relating to asbestos removal and seismic strengthening. These funds would not include any construction costs. 1,316,732

**Laguna Honda Hospital** - The proposed funding would provide for design, project management, and construction costs for the renovation of the Hospital's Boiler Room Building. 1,775,732

| | |
|---|---|
| **Department of Public Works** - The proposed funding would provide for the inspection of all City-owned buildings and performing assessment studies to determine the needed work to be funded by future bond sales. | 1,125,000 |
| Total Supplemental Request | $18,927,166 |

**Comments:**

1. With the exception of the projects associated with the Academy of Sciences, Fine Arts Museum and Asian Arts Museum, DPW will perform the design and engineering work. Architectural, design, and engineering studies for the Fine Arts Museum ($2,602,717), Asian Arts Museum ($1,357,365), and the Academy of Sciences' IZG (Invertebrates Zoology & Geology)/Research Facility ($428,184) projects will be performed by outside consultants. According to Mr. Jorge Alfaro of the DPW's Bureau of Architecture, Request for Proposals (RFP) for some of the projects have been distributed, however, a definite schedule for the awarding of the design and engineering contracts could not be provided. Because design and engineering consultants have not yet been selected, DPW does not know the number of contract hours that will be budgeted, the hourly rates charged, the total contract amounts and the MBE/WBE/LBE status of the contractors. Therefore, funds for the architectural and design consulting work in the amount of $4,388,266 should be reserved by the Finance Committee pending the provision of the contractor information.

2. In May of 1990, the Board of Supervisors approved Resolution #372-90 that allowed the Academy of Sciences to proceed with the construction work on Cowell Hall using funds from the Academy's private endowment funds. The resolution stated that the Academy's endowment funds would be reimbursed for the construction costs from the Earthquake Bond funds, provided that the Academy followed City bid procedures and complied with the City's MBE/WBE/LBE regulations. The resolution further required the Director of DPW, in concurrence with the Chief Administrative Officer and the Executive Director of the Human Rights Commission, to determine that the Academy of Sciences has complied with the City's bid procedures and MBE/WBE/LBE regulations. Mr. Alfaro reports that the construction contractor has already begun work on Cowell Hall, and he advises that the Academy did comply with the City's formal bid procedures and the MBE/WBE/LBE

ordinance in selecting the construction contractor. The construction contractor is La-Sha, Inc., a WBE/LBE.

3. Mr. Alfaro advises that all of the other construction work for the projects listed will be formally competitively bid and subject to the City's MBE/WBE/LBE regulations.

4. In accordance with Section 3.010 of the Administrative Code, the Capital Improvement Advisory Committee (CIAC) reviewed the request for supplemental appropriation. The CIAC's letter of August 21,1990 recommends that $2,368,000 for construction work at the Palace of the Legion of Honor be reserved pending approval of an agreement between the City Attorney, the Chief Administrative Officer, the Board of Trustees of the Fine Arts Museum and the Corporations of the Fine Arts Museum. Mr. Calvin Malone of the CIAC reports that based on subsequent meetings and discussions with the Fine Arts Museum, some changes in the initial administrative arrangements are contemplated and the reserve should be placed on the Fine Arts construction funds of $2,368,000 pending completion of a Memorandum of Understanding (MOU) between the Fine Arts Museum and the Department of Public Works.

**Recommendation:** Amend the proposed Supplemental Appropriation Ordinance by reserving $4,388,266 for the architectural and engineering design work for the Fine Arts Museum, Asian Arts Museum and the Academy of Sciences and $2,368,000 for the construction work at the Palace of the Legion of Honor. Approve the proposed ordinance as amended.

Summary of Proposed Allocation of Bond Funds

| Department | DPW Planning & Project Control | Design | Construction | Project Total | Less Pre-Bond Supplemental | Total Supplemental Request |
|---|---|---|---|---|---|---|
| Fire Department: | | | | | | |
| Station #1 | | $27,000 | $150,000 | $177,000 | | $177,000 |
| Station #2 | | $433,510 | $3,053,490 | $3,487,000 | | $3,487,000 |
| Station #8 | | $180,267 | $1,287,741 | $1,468,008 | | $1,468,008 |
| Station #24 | | $365,295 | $0 | $365,295 | | $365,295 |
| Station #37 | | $234,720 | $428,247 | $662,967 | | $662,967 |
| Station #44 | | $230,491 | $355,579 | $586,070 | | $586,070 |
| Arson Task Force | | $71,953 | $571,047 | $643,000 | | $643,000 |
| Pump Station #1 | | $42,420 | $0 | $42,420 | | $42,420 |
| Headquarters Building | | $69,240 | $0 | $69,240 | | $69,240 |
| Total Fire Department | | $1,654,896 | $5,846,104 | $7,501,000 | $788,760 | $6,712,240 |
| California Academy of Sciences | | | | | | |
| Cowell Hall | $53,074 | $112,855* | $1,731,071 | $1,897,000 | | $3,794,000 |
| IZG/Research Facility | $81,887 | $428,184 | $564,929 | $1,075,000 | | $1,075,000 |
| Total Academy of Sciences | $134,961 | $541,039 | $2,296,000 | $2,972,000 | $47,270 | $2,924,730 |
| Fine Arts Museum: | | | | | | |
| Legion of Honor | $128,283 | $2,602,717 | $2,368,000 | $5,099,000 | $26,268 | $5,072,732 |
| Asian Art Museum | | | | | | |
| Main Library Conversion | $85,635 | $1,357,365 | | $1,443,000 | $126,268 | $1,316,732 |
| Laguna Honda Hospital | | | | | | |
| Boiler Room | | $265,000 | $1,597,000 | $1,862,000 | $86,268 | $1,775,732 |
| Department of Public Works | | | | | | |
| Planning and Assessment | | | | $1,463,000 | $338,000 | $1,125,000 |
| City Attorney | | | | $60,000 | $60,000 | $0 |
| Controller | | | | $100,000 | $100,000 | $0 |
| Total Supplemental Request | $348,879 | $6,421,017 | $12,107,104 | $20,500,000 | $1,572,834 | $18,927,166 |

*NOTE: The $112,855 consists of costs for disruptions and relocations ($22,000), bonds and permits ($52,174), and project contingency ($38,681). The funds do not include costs for architectural and engineering design services.

Item 7 - File 101-90-11

**Department:** Department of Public Works (DPW)

**Item:** Supplemental Appropriation Ordinance for capital improvement projects by the Department of Public Works for 1990-91.

**Amount:** $3,628,420

**Source of Funds:** Proceeds of 1990 Earthquake Safety General Obligation Bonds

**Description:** In June of 1990, San Francisco voters authorized the sale of $332.4 million in bonds to fund capital improvements to restore earthquake damaged buildings. However, not more than $65 million in General Obligation bonds can be sold in any one year. The proposed supplemental appropriation ordinance would allocate $3,628,420 as start-up funds to begin design of the repair work planned for various buildings and facilities.

DPW proposes to allocate the requested funds as follows:

Planning and Project Control

DPW's Bureau of Architecture is overseeing the bond program including the identification of project priorities, establishing a bond program master schedule and monitoring the various bond program projects. DPW estimates that the requested funding should last ten months. Planning and project control staffing is detailed below. Of the positions detailed below, the two Project Manager II positions, one Architect position and one Assistant I position are vacant and would be filled. Mr. Jorge Alfaro of DPW's Bureau of Architecture reports that the Project Manager III position, the Associate II position and the Secretary position are currently filled.

| Position | FTE | | |
|---|---|---|---|
| Project Manager III | 0.75 | $96,000 | |
| Project Manager II | 2.00 | 214,400 | |
| Architect | 1.00 | 97,600 | |
| Associate II | 1.00 | 86,400 | |
| Assistant I | 0.50 | 30,400 | |
| Secretary (1450) | 0.50 | 28,000 | |
| | 5.75 | | |
| Project Contingency | | 55,280 | |
| Total Planning and Project Control | | | $608,080 |

| | | |
|---|---|---|
| Non-Civic Center Repair Projects: | | |
| Funding would provide for DPW administered design and engineering of the following repair projects: | | |
| Ingleside MUNI Station | $101,900 | |
| St. Mary's Garage | 53,400 | |
| Marina Green Park | 227,180 | |
| Non-Civic Center repair projects costing less than $37,500 | 1,018,000 | |
| These projects include the estimated construction cost funding and are identified in the Attachment | | |
| Total Non-Civic Center | | $1,400,480 |
| Civic Center Repair Projects: | | |
| Opera House | 6,972 | |
| Veteran's Building | 6,972 | |
| Civic Auditorium | 6,972 | |
| Department of Public Health Headquarters | 81,972 | |
| City Hall | 756,972 | |
| Funding would provide for preparation of Request for Qualifications of potential earthquake engineering firms ($6,972 each), and architectural design of DPH offices by DPW. Funding for City Hall consists of a consultant contract to perform structural analysis of the building ($500,000), a construction contract to install temporary wire mesh restraints in two elevator shafts located at City Hall ($250,000), and preparation of a Request for Qualifications ($6,972). | | |
| Total Civic Center Funding | | 859,860 |

| | | |
|---|---|---|
| San Francisco Zoo: | | |
| Bureau of Engineering<br>Funding would provide for engineering studies for repair of the Zoo's underground sewer and utility systems that were damaged in the earthquake. | $260,000 | |
| Clean Water Program<br>Funding would provide for planning ($5,000), design ($45,000), and construction ($450,000) of a water saving recirculation and treatment system for the Zoo's sea lion pool. | 500,000 | |
| Total Zoo Funding | | $ 760,000 |
| Total Supplemental Request | | $3,628,420 |

**Comments:**

1. In accordance with Section 3.010 of the Administrative Code, the Capital Improvement Advisory Committee (CIAC) reviewed the request for supplemental appropriation to initiate the 1990 Earthquake Safety Program. CIAC has determined that the proposed supplemental is in accordance with the bond program as approved by the electorate and is consistent with the City's Six-Year Capital Expenditure Plan.

2. Mr. Fred Weiner of the CAO's Office advises that the bonds have not been sold yet. The CAO expects the bonds to be sold in November of 1990. Mr. Weiner states that this proposed legislation is a "Pre-Bond" Supplemental Appropriation Request. DPW is requesting these monies from the General Fund to pay for the various startup costs associated with the projects as specified above. Once the bond sale is completed, the proceeds would be used to reimburse the General Fund, including interest, for these various design and construction projects.

3. Mr. Weiner further reports that an undetermined amount of repair costs relating to damages sustained in the October, 1989 earthquake will be reimbursed by FEMA and the State. All reimbursements received from FEMA and the State would reduce the City's June, 1990 bond obligation. To date, the City has not received any reimbursements for repair of earthquake damaged buildings.

4. DPW has requested $500,000 for a consulting contract to perform a structural analysis of City Hall. The requested amount of $500,000 for this contract should be reserved pending the provision of contractual information, including contractual amount, the estimated number of hours, hourly rates, and MBE/WBE/LBE status of the consultant.

**Recommendation:** 1. Amend the proposed Supplemental Appropriation ordinance to reserve $500,000 pending the provision of consultant information on the consultant to perform a structural analysis of City Hall.

2. Approve the proposed Supplemental Appropriation ordinance as amended.

DATE: JUNE 14 1990
No. OF BOA JOBS: 75

EARTHQUAKE DAMAGE REPORT
FOR CITY OWNED STRUCTURES
PROJECTS UNDER $37,500

TOTAL COST : $ 1,018,000

| DEPT | LINE ITEM # | BOA JOB No. | | BOA SECT | ARCH | FACILITY ID | FACILITY NAME | STREET ADDRESS | CCSF COST ESTIMATE |
|---|---|---|---|---|---|---|---|---|---|
| 28 | E1 4 | 2031 | O | BA | | 506 | SO SAN FRANCISCO OPERA HOUSE | 4705 THIRD STREET | $5,000 |
| 28 | E1 6 | 2033 | O | BA | | 510 | WESTERN ADDITION CULTURAL CENTER | 762 FULTON STREET | $12,500 |
| 28 | E1 7 | 2030 | O | BA | | 504 | MISSION CULTURAL CENTER | 2868 MISSION STREET | $3,100 |
| 31 | E1 30 | 2037 | O | MD | | 658 | FIRE STATION #25 | 3305 3RD STREET | $5,000 |
| 31 | E1 31 | 2038 | O | MD | | 664 | FIRE STATION #26 | 80 DIGBY STREET | $2,850 |
| 31 | E1 32 | 2040 | O | MD | | 668 | FIRE STATION #11 | 3880 26TH STREET | $2,165 |
| 31 | E1 33 | 2041 | O | MD | | 670 | FIRE STATION #43 | 720 MOSCOW STREET | $13,097 |
| 31 | E1 37 | 2042 | O | MD | | 680 | FIRE STATION #6 | 135 SANCHEZ STREET | $2,370 |
| 31 | E1 38 | 2043 | O | MD | | 682 | FIRE STATION #15 | 1000 OCEAN AVENUE | $5,588 |
| 31 | E1 39 | 2044 | O | MD | | 684 | FIRE STATION #20 | 285 OLYMPIA WAY | $3,000 |
| 31 | E1 41 | 2046 | O | MD | | 690 | FIRE STATION #7 | 2300 FOLSOM STREET | $1,028 |
| 31 | E1 43 | 2047 | O | MD | | 696 | FIRE STATION #12 | 1145 STANYAN STREET | $2,370 |
| 31 | E1 45 | | O | MD | | | FIRE STATION #40 | 2155 18TH AVENUE | $300 |
| 31 | E1 46 | 2048 | O | MD | | 702 | FIRE STATION #23 | 1347 45TH AVENUE | $3,000 |
| 31 | E1 47 | 2049 | O | MD | | 704 | FIRE STATION #31 | 441 12TH AVENUE | $14,250 |
| 31 | E1 49 | 2050 | O | MD | | 708 | FIRE STATION #22 | 1290 16TH AVENUE | $1,500 |
| 31 | E1 50 | 2051 | O | MD | | 710 | FIRE STATION #14 | 551 26TH AVENUE | $11,250 |
| 31 | E1 51 | 2052 | O | MD | | 712 | FIRE STATION #34 | 499 41ST AVENUE | $1,600 |
| 31 | E1 53 | 2053 | O | MD | | 716 | FIRE STATION #21 | 1443 GROVE STREET | $7,300 |
| 31 | E1 54 | 2054 | O | MD | | 718 | FIRE STATION #10 | 655 PRESIDIO AVENUE | $4,475 |
| 31 | E1 55 | 2055 | O | MD | | 720 | FIRE STATION #36 | 109 OAK STREET | $7,011 |
| 31 | E1 56 | 2056 | O | MD | | 722 | FIRE STATION #5 | 1301 TURK STREET | $2,625 |
| 31 | E1 57 | 2057 | O | MD | | 724 | FIRE STATION #3 | 1067 POST STREET | $4,378 |
| 31 | E1 58 | 2058 | O | MD | | 726 | FIRE STATION #38 | 2150 CALIFORNIA STREET | $1,163 |
| 31 | E1 60 | 2059 | O | MD | | 730 | FIRE STATION #16 | 2251 GREENWICH STREET | $3,500 |
| 31 | E1 63 | 2061 | O | MD | | 736 | CHIEF SULLIVAN MEMORIAL HOME | 870 BUSH STREET | $3,000 |
| 31 | E1 64 | 2062 | O | MD | | 738 | FIRE STATION #41 | 1325 LEAVENWORTH STREET | $550 |
| 31 | E1 65 | 2063 | O | MD | | 742 | FIRE STATION #13 | 530 SANSOME STREET | $5,900 |
| 31 | E1 66 | 2064 | Q | MD | | 744 | FIRE STATION #2 | 1340 POWELL STREET | $10,000 |
| 31 | E1 67 | 2065 | O | MD | | 746 | FIRE STATION #28 | 1814 STOCKTON STREET | $4,975 |
| 31 | E1 68 | 2066 | O | MD | | 748 | ARSON TASK FORCE HEADOUARTES | 676 HOWARD STREET | $8,100 |

DATE: JUNE 14 1990
No. OF BOA JOBS: 75

EARTHQUAKE DAMAGE REPORT
FOR CITY OWNED STRUCTURES
PROJECTS UNDER $37,500

TOTAL COST : $ 1,018,000

| DEPT | LINE ITEM # | BOA JOB No. | BOA SECT | ARCH | FACILITY ID | FACILITY NAME | STREET ADDRESS | CCSF COST ESTIMATE |
|---|---|---|---|---|---|---|---|---|
| 31 | E1 69 | 2069 Q | MD | | 754 | FIRE STATION #30 | 1300 4TH STREET | $11,950 |
| 31 | E1 70 | 2070 Q | MD | | 756 | FIRE STATION #29 | 299 VERMONT STREET | $3,255 |
| 31 | E1 71 | 2071 Q | MD | | 758 | FIRE STATION #37 | 798 WISCONSIN STREET | $3,500 |
| 31 | E1 73 | 2072 Q | MD | | 762 | EQUIPMENT UNIT HEADQUARTERS | 2501 25TH STREET | $1,200 |
| 31 | E1 74 | 2073 Q | MD | | 764 | FIRE STATION #32 | 194 PARK STREET | $1,585 |
| 31 | E1 75 | 2074 Q | MD | | 766 | FIRE STATION #42 | 2430 SAN BRUNO AVENUE | $1,500 |
| 31 | E1 76 | 2075 Q | MD | | 768 | FIRE STATION #44 | 1298 GIRARD STREET | $10,000 |
| 31 | E1 77 | 2076 Q | MD | | 770 | FIRE STATION #33 | 8 CAPITOL AVENUE | $4,299 |
| 31 | E1 78 | 2077 Q | MD | | 1006 | FIRE STA. #49/ BOAT HEADQUARTERS | PIER 22.5 | $5,050 |
| 31 | E1 184 | 2039 Q | MD | | 666 | FIRE STATION #19 | 390 BUCKINGHAM WAY | $1,500 |
| 31 | E1 185 | 2067 Q | MD | | 750 | FIRE STATION #24 | 100 HOFFMAN STREET | $6,463 |
| 31 | E1 186 | 2068 Q | MD | | 752 | FIRE STATION #39 | 1091 PORTOLA DRIVE | $3,002 |
| 38 | E1 107 | 2084 Q | MP | | 345 | POLICE ACADEMY | 350 AMBER DRIVE | $35,394 |
| 38 | E1 109 | 2085 Q | MP | | 349 | POTRERO POLICE STATION | 2300 3RD STREET | $8,696 |
| 38 | E1 110 | 2086 Q | MP | | 351 | INGLESIDE POLICE STATION | 1 J.V. YOUNG DRIVE | $5,710 |
| 38 | E1 111 | 2087 Q | MP | | 353 | MISSION POLICE STATION | 1240 VALENCIA STREET | $2,930 |
| 38 | E1 112 | 2088 Q | MP | | 355 | RICHMOND POLICE STATION | 451 6TH AVENUE | $20,292 |
| 38 | E1 113 | 2089 Q | MP | | 357 | TARAVAL POLICE STATION | 2345 24TH AVENUE | $28,813 |
| 38 | E1 114 | 2096 Q | MP | | 359 | PARK POLICE STATION | KEZAR DRIVE | $15,400 |
| 38 | E1 115 | 2090 Q | MP | | 361 | NORTHEN POLICE STATION | 1125 FILLMORE STREET | $2,741 |
| 38 | E1 116 | 2091 Q | MP | | 363 | JUVENILE DIVISION BUILDING | 2475 GREENWICH STREET | $5,421 |
| 38 | E1 117 | 2092 Q | MP | | 365 | CENTRAL POLICE STATION | 766 VALLEJO STREET | $7,609 |
| 38 | E1 176 | 2093 Q | MP | | 1035 | GOLDEN GATE PARK POLICE STABLES | GOLDEN GATE PARK | $839 |
| 41 | E1 83 | 2098 Q | RA | | 464 | EXCELSIOR BRANCH LIBRARY | 4400 MISSION STREET | $13,070 |
| 41 | E1 84 | 2099 Q | RA | | 466 | NOE VALLEY BRANCH LIBRARY | 451 JERSEY STREET | $19,484 |
| 41 | E1 86 | 2101 Q | RA | | 474 | EUREKA VALLEY BRANCH LIBRARY | 3555 16TH STREET | $516 |
| 41 | E1 87 | 2102 Q | RA | | 476 | WEST PORTAL BRANCH LIBRARY | 190 LENOX WAY | $21,004 |
| 41 | E1 88 | 2103 Q | RA | | 480 | ORTEGA BRANCH LIBRARY | 3223 ORTEGA STREET | $2,193 |
| 41 | E1 91 | 2106 Q | RA | | 486 | PARK BRANCH LIBRARY | 1833 PAGE STREET | $23,075 |
| 41 | E1 92 | 2107 Q | RA | | 488 | PRESIDIO BRANCH LIBRARY | 3150 SACRAMENTPO STREET | $17,348 |
| 41 | E1 93 | 2108 Q | RA | | 490 | GOLDEN GATE BRANCH LIBRARY | 1801 GREEN STREET | $8,685 |

DATE: JUNE 14 1990
No. OF BOA JOBS: 75

EARTHQUAKE DAMAGE REPORT
FOR CITY OWNED STRUCTURES
PROJECTS UNDER $37,500

TOTAL COST : $ 1,018,000

| DEPT | LINE ITEM # | BOA JOB No. | BOA SECT | ARCH | FACILITY ID | FACILITY NAME | STREET ADDRESS | CCSF COST ESTIMATE |
|---|---|---|---|---|---|---|---|---|
| 41 | E1 | 94 2109 Q | RA | | 492 | MARINA BRANCH LIBRARY | 1890 CHESTNUT STREET | $15,764 |
| 41 | E1 | 97 2112 Q | RA | | 498 | CHINATOWN BRANCH LIBRARY | 1135 POWELL STREET | $24,558 |
| 41 | E1 | 98 2113 Q | RA | | 500 | NORTH BEACH BRANCH LIBRARY | 2000 MASON STREET | $18,971 |
| 41 | E1 | 99 2114 Q | RA | | 1004 | BERNAL HEIGHTS BRANCH LIBRARY | 500 CORTLAND AVENUE | $618 |
| 41 | E1 | 100 2115 Q | RA | | 1045 | WESTERN ADDITION BRANCH LIBRARY | 1550 SCOTT STREET | $10,221 |
| 44 | E1 | 137 2131 Q | BG | | 1053 | TRAFFIC ENGINEERING OFFICES | 460 McALLISTER STREET | $4,310 |
| 83 | E1 | 9 2192 Q | JB | | 874 | TOM WADDELL CLINIC | 50 IVY STREET | $3,000 |
| 83 | E1 | 12 2194 Q | JB | | 898 | HEALTH CENTER ONE | 3850 17TH STREET | $1,138 |
| 83 | E1 | 13 2195 Q | JB | | 900 | HEALTH CENTER TWO | 1301 PIERCE STREET | $2,500 |
| 83 | E1 | 14 2196 Q | JB | | 902 | HEALTH CENTER THREE | 1525 SILVER AVENUE | $2,000 |
| 83 | E1 | 15 2197 Q | JB | | 904 | HEALTH CENTER FOUR | 1490 MASON STREET | $3,700 |
| 83 | E1 | 16 2198 Q | JB | | 906 | HEALTH CENTER FIVE | 1351 24TH STREET | $2,500 |
| 83 | E1 | 18 2200 Q | JB | | 938 | S.E. HEALTH CTR. AMBULANCE CARE | 2401 KEITH STREET | $11,800 |

| | | |
|---|---|---|
| TOTAL CONSTRUCTION AND DESIGN: | | $546,549 |
| 12% PROJECT CONTINGENCY: | + | $65,986 |
| 5% ONE YEAR INFLATION : | + | $30,627 |
| TOTAL EARTHQUAKE REPAIRS COST : | | $643,162 |
| TOTAL CODE MANDATES COST : | + | $375,000 |
| TOTAL (ROUNDED TO NEAREST $K ) | = | $1,018,000 |

NOTE : TOTAL STATE (OES) AND FEDERAL (FEMA) FUNDS RECEIVED FOR THESE BUILDINGS AS OF JUNE 8 1990 IS $ 182,754.40

Item 8 - File 101-90-13

**Department:** Controller

**Item:** Supplemental Appropriation Ordinance for professional and special services, and increasing $220,000 for interdepartmental recovery.

**Amount:** $220,000

**Source of Funds:** General Fund-General Reserve. An Interdepartmental Recovery process would reimburse the General Fund from the various bond fund issues associated with this item.

**Description:** The City Controller has requested $220,000 for a financial consultant to assist the Controller with two multi-purpose bond sales during the current fiscal year.

This request represents a change in the current administration of the City's general purpose bond program which previously retained separate financial consultants for each single purpose bond issue. However, as the City is currently faced with multiple bond issues, the Controller has determined that there are substantial savings in costs by structuring multiple purpose bond issues in one sale. At the present time, the Controller has recommended the hiring of one financial consultant for two proposed multi-purpose issues in November, 1990 and the Spring of 1991 as follows:

| November 1990 | Millions |
|---|---|
| Fire | $ 15.2 |
| Police | 8.0 |
| Recreation and Park | 6.0 |
| Schools | 30.0 |
| Seismic #2 | 30.0 |
| Subtotal | $ 89.2 |
| | |
| Spring 1991 | |
| | |
| Public Health | $ 23.0 |
| Seismic #2 | 20.0 |
| Subtotal | $ 43.0 |

The amount of the above bond issues are based upon existing know authorizations and do not take into account any additional authorizations which might be approved by the voters in November of 1990. If additional bond issues are authorized by the voters in November of 1990, then the size of the Spring 1991 bond sale will be increased.

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed legislation establishes a direct charge and a recovery process applicable to the subject bond issues for the General Fund. The Controller will submit supplementals to fund these recoveries as each actual bond sale authorization is submitted.

**Comments:**

1. The Controller advises that the cost of $220,000 for the proposed financial services is a reasonable staff estimate for the two bond sales based upon the experience of past sales undertaken by the Controller. If additional bond issues are added to the Spring of 1991 bond sale, it is anticipated that the costs for the financial consultants would increase. According to Mr. Yockey, an additional supplemental request would be submitted if necessary, when the size of the second issue is determined.

2. At the present time, the Controller's staff is conducting a selection process to hire the financial consultants. Therefore, information is not yet available on the estimated hours, hourly rates and the MBE/WBE status of the consultants.

3. Mr. Yockey also advises that all of the costs will be paid for from bond proceeds upon the successful sales of the bonds and such costs will be charged on a pro-rata basis to the various issues participating in the proposed two multi-purpose sales.

**Recommendation:** Amend the proposed ordinance by reserving the funds for the proposed financial consultants, pending submission of consultant data as outlined in Comment No. 2 above and approve the proposed Supplemental Appropriation ordinance as amended.

Item 9 - File 101-90-14

**Department:** City Attorney

**Item:** Supplemental Appropriation Ordinance for temporary salaries, mandatory fringe benefits, professional services, and increasing $120,000 for interdepartmental recovery.

**Amount:** $120,000

**Source of Funds:** Interdepartmental Recovery to be funded by various Bond issues

**Description:** The City Attorney has requested $120,000 for Permanent Salaries, Mandatory Fringe Benefits and professional services to assist the City's effort to administer two multi-purpose bond sales during the current fiscal year. A total of $60,000 for professional services would include the hiring of a bond counsel for the sale of two Earthquake Safety Bonds. The bond counsel would assist the City in the preparation of various legal documents necessary for these bond sale. The professional services cost would also include bond counsel's costs for travel associated with visits to the bond rating agency and miscellaneous cost such as printing, mailing, computer time and long distance telephone charges.

An additional $60,000 would provide for the legal services of the City Attorney for the sale of the earthquake safety bonds. The City Attorney's Office would review and assist bond counsel in the preparation of various legal documents to cover costs for any rating agency visit. The funds will also provide services by the City Attorney's Office to review construction contracts, environmental problems and any other legal services required by the Department of Public Works (DPW) in assisting DPW to accomplish the construction work provided for by the 1990 Earthquake Safety Bonds.

The proposed salaries, fringe benefits and professional services to the City Attorney's Office as combined in a single billing rate is budgeted as follows:

Permanent Salaries, Fringe Benefits and City Attorney's Office Overhead Support:

| | | |
|---|---|---|
| 8184 Chief Attorney II Billing Rate ($113.98/hour x 430 hours) | $49,010 | |
| 8182 Head Attorney ($102.71/hour x 107 hours) | 10,990 | |
| | | $60,000 |
| Professional Services Bond Counsel ($30,000 x 2 bond issues) | | 60,000 |
| Total | | $120,000 |

**Comments:**

1. The City Attorney's per hour billing rates including salaries, fringe benefits and departmental overhead for the 8184 Chief Attorney II and the 8182 Head Attorney are as follows:

| | Per Hour Amount | |
|---|---|---|
| 8184 Chief Attorney II | | |
| Permanent Salary | $53.37 | |
| Fringe Benefits (29% of salary) | 15.48 | |
| Departmental Overhead (84.6 % of salary) * | 45.13 | |
| Total | | $113.98 |
| 8182 Head Attorney | | |
| Permanent Salary | $45.66 | |
| Fringe Benefits (29% of salary) | 13.24 | |
| Departmental Overhead (95.9% of salary) * | 43.81 | |
| Total | | $102.71 |

* includes clerical support, supplies and related services

2. According to Ms. Martie Moore of the City Attorney's Office, the billing rates identified in Comment 1 would be used to determine the amount of charges for the City Attorney's Office in providing legal services in support of the two bond issues.

3. According to Mr. Robert Kenealey of the City Attorney's Office, City Attorney staff has recommended a bond counsel to provide for the professional legal services for the first sale of bonds and that recommendation is awaiting the review and approval by the City Attorney. Mr. Kenealey advises that the recommended bond counsel would charge an average of $200 per hour and would provide 150 hours of services totalling $30,000. In addition, a total of $5,000 would be budgeted for related overhead costs for a total professional cost of $35,000. Mr. Kenealey also advises that 35 percent of the total contract is set aside for a MBE co-counsel for the proposed professional services.

4. Since the total amount budgeted for professional services is $60,000 and $35,000 has been identified for such services for the first bond issues, there remains $25,000 for a proposed second bond issue. According to Mr. Kenealey the services of the same bond counsel for the first sale of bonds in November 1990 would also be used for the second sale of bonds in the Spring of 1991.

5. The Controller advises that all of the costs will be paid for from bond proceeds upon the successful sale of the bonds and such costs will be charged on a pro-rata basis to the various issues participating in the proposed two bond issues.

**Recommendation:** Approve the proposed Supplemental Appropriation ordinance.

Item 10 - File 101-90-15

**Department:** Chief Administrative Officer (CAO)

**Item:** Supplemental Appropriation Ordinance for temporary salaries and mandatory fringe benefits, and increasing $35,000 for interdepartmental recovery.

**Amount:** $35,000

**Source of Funds:** Interdepartmental Recovery to be funded by the Earthquake Safety Bond issues

**Description:** In June of 1990, San Francisco voters authorized the sale of $332.4 million in General Obligation bonds to fund capital improvements to restore earthquake-damaged buildings. In order to facilitate and coordinate the work of the financial advisor, bond counsel, and DPW, the CAO requests funding to hire a half-time Class A557 Deputy Fiscal Officer.

The Deputy Fiscal Officer would assist the Financial Advisor, Bond Counsel, and DPW in determining the timing and the size of the bond sale, and preparing all documents pertaining to the bond sale (Refer to Items 8 and 9, Files 101-90-13, and 101-90-14, for descriptions of requests for funding of financial advisor and bond counsel).

The requested funds would be used to cover the salary and related fringe benefits for a half-time Deputy Fiscal Officer for Fiscal Year 1990-91 as follows:

| | |
|---|---|
| Temporary Salary of Deputy Fiscal Officer (0.5 FTE) | $34,300 |
| Mandatory Fringe Benefits | 700 |
| Total | $35,000 |

**Comments:** 1. Mr. Fred Weiner of the CAO's Office reports that the Deputy Fiscal Officer position is currently filled and half of the position's time has been allocated to the Solid Waste Management Program. The other half of the position's time has been allocated to the Moscone Center Expansion Project. However, the person is now spending half of his time on the Earthquake Safety Bond program and his remaining time on the Moscone Center Expansion Project. This Supplemental Appropriation request would authorize the CAO to be reimbursed for one-half of the Deputy Fiscal Officer's time for the work applicable to the Earthquake Safety Bond program.

2. Mr. Weiner also advises that the funding for the position would continue over the life of the $332.4 million in bond sales, which would be approximately five to six years.

3. Mr. Weiner states that funding for the position would apply retroactively to July 1, 1990, since the person has previously been working on the Earthquake Safety Bond program. The proposed Supplemental Request would provide half of the funding needed for the Deputy Fiscal Officer position for Fiscal Year 1990-91. Mr. Weiner reports that the position will be listed in the Fiscal Year 1991-92 budget, to be funded by work order from the Earthquake Safety Bond Fund monies.

**Recommendation:** Amend the proposed Supplemental Appropriation Ordinance to reflect appropriation of funds retroactively to July 1, 1990 as noted in Comment No. 3. Approve the proposed Supplemental Appropriation Ordinance as amended.

Memo to Finance Committee
September 19, 1990

Item 11 - File 65-90-4

**Department:** Recreation and Parks Department

**Item:** Ordinance approving the sixth amendment to the stadium lease between the City and County of San Francisco by and through its Recreation and Parks Commission and the San Francisco Forty Niners football team.

**Location:** Candlestick Park

**Term:** December 3, 1969 through May 31, 2008

**Annual Rent:** Percent of gross revenues on admissions and parking.

**Description:** In December of 1985, the Board of Supervisors approved a stadium agreement between the City and the San Francisco Forty Niners football team which provided for the construction of luxury boxes and other major improvements to the stadium. At the same time the Board of Supervisors amended the existing December 3, 1969 stadium lease.to allow for these improvements and to extend the lease for eight years through May 31, 2008. In July of 1987, the Board of Supervisors approved further amendments to the 1985 stadium agreement and the stadium lease, consistent with the stadium improvements which were completed at that time.

This proposed ordinance would approve further amendments to the stadium lease as outlined in the 1985 stadium agreement between the City and the Forty Niners. Proposed changes to the stadium lease are:

1. Modifications to the leasehold. The proposed amendments would update the stadium lease to add five new luxury boxes, which were constructed between the end of the 1989 football season and the beginning of the 1990 baseball season, and delete 22 reserved seats from the leased premises specified in the lease agreement. The rent being paid to the City by the Forty Niners is at the same rates as previously constructed luxury boxes and at the rates specified in the 1985 stadium agreement. These actions update the lease to be consistent with present practice.

2. Sales of Novelty Items. The lease agreement would also be amended to allow the Forty Niners, who have now assumed control of the parking concessions, to sell novelty items in the preferred parking areas adjacent to the stadium. Any such sales have not previously been allowed by the City.

3. Stadium Club. The proposed amendments provide that upon the expiration or termination of the stadium lease between the City and the San Francisco Giants baseball team, the space known as the "Stadium Club" would be incorporated in the lease agreement with the Forty Niners. The Forty Niners have agreed to pay rent to the City equal to 15 percent of the gross receipts on food and beverage items at the Stadium Club. Presently, the San Francisco Giants have exclusive control of and receive all concession revenues from the operation of the Stadium Club, with no revenues accruing to the City.

4. Additional space occupied by the San Francisco Giants. The proposed lease amendments also provide that other stadium space currently occupied by the Giants and vacated when the Giants lease expires or is terminated may be included in the Forty Niners' lease agreement without approval by the Board of Supervisors. Rental terms for these stadium spaces would be negotiated by the Recreation and Parks Department.

5. Clarification of rent. The proposed amendments would clarify that retroactive to the 1988 football season, all food and beverage sales by concessionaires to the Forty Niners for use in the football press box, Forty Niner offices, and any luxury boxes would not be subject to any rental payments to the City. Such purchases are only for the benefit of Forty Niner's employees and guests and are not for resale by the Forty Niners. This action updates the lease to be consistent with present practice.

6. Rent credits. The proposed amendments would add a rent credit clause in which, with prior approval of the Recreation and Park Commission, the cost of repairs, improvements and equipment purchases by the Forty Niners at Candlestick Park would be deducted from the stadium rent payable by the Forty Niners to the City. The proposed clause also requires that all improvements and equipment purchased become the property of the City. The present lease has no provision for rent credits.

7. Parking lot, food and beverage rent. The 1985 stadium agreement provided that the Forty Niners could exercise the option of assuming the parking lot and food and beverage concessions when the existing concession agreements with the current vendors expire. The parking concession lease with Candlestick Parking Concessions expired in October of 1988. Rental on that lease is being paid by the Forty Niners to the City at a rate of 42 percent of the gross parking revenues after deduction of the City's parking taxes consistent with the 1985 stadium agreement between the City and the Forty Niners. Mr. Ernie Prindle, of the Recreation and Park Department advises that the Forty Niners have not yet assumed the stadium's food and beverage concessions. The Forty Niners will have the option to assume the food and beverage concessions in January, 1993, when the lease with the existing vendor, Stevens California Enterprises, Inc., is scheduled to expire or alternatively in 2001 if Stevens exercises an option to extend their existing agreement for an additional eight years.

8. Late payment penalty fee. The proposed amendments provide for a penalty fee for late payment of rent payable by the Forty Niners to the City. After 15 days from the due date of the rent payment, the proposed changes would allow the City to charge an interest rate of one percent per month on any rent payment past due. The present lease does not contain a late payment penalty provision.

9. Other proposed modifications, which are technical in nature, include a clarification in the lease agreement's hold harmless clause, addition of a clause specifying accounting and audit requirements, addition of specific provisions for the operation and maintenance of the parking lots by the Forty Niners and an update of certain lease provisions to make them consistent with the City's current Administrative Code.

**Comments:**

1. Mr. Prindle reports that the San Francisco Forty Niners paid the City $3,468,853 for total rent during the 1989 football season.

2. As an alternative to allowing the San Francisco Forty Niners to assume the operation of the Stadium Club when it is vacated by the San Francisco Giants, the Recreation and Park Department could conduct a competitive bidding process for the operation of the Stadium Club. This would insure that the City maximizes its revenues and would allow the City to retain greater control during those times that the stadium is not in use by the Forty Niners.

3. As noted in Point 4 above, this lease amendment provides that all current space in the stadium which is vacated by the San Francisco Giants can be leased to the Forty Niners at rates negotiated by the Recreation and Park Department without approval by the Board of Supervisors. The Board of Supervisors might wish to retain the authority to review and approve leases for any such Space vacated by the San Francisco Giants.

4. Leases submitted by the Recreation and Park Commission for approval of the Board of Supervisors cannot be amended by the Board of Supervisors but instead must either be approved, disapproved or sent back to the Recreation and Park Commission for further consideration.

**Recommendation:** Approval of the proposed stadium lease amendment which would approve the lease of the Stadium Club to the Forty Niners without competitive bids and which would authorize leasing of additional spaces (which might be vacated by the San Francisco Giants) to the Forty Niners at rates negotiated by the Recreation and Park Department, without approval of the Board of Supervisors, is a policy matter for the Board of Supervisors.

Memo to Finance Committee
September 19, 1990

Item 12 - File 97-90-42

**Department:** Recreation and Park Department

**Item:** Ordinance amending the Administrative Code by adding Section 10.160-1 to establish a Recreation and Park County Fair Revolving Fund.

**Amount:** $10,000

**Description:** Mr. Carlos Luna of the Recreation and Park Department reports that in 1985 the Department received an allocation of $5,000 from the State to establish a revolving fund for the San Francisco County Fair. In 1989, the State increased the amount of the allocation to $10,000. The revolving fund is used to pay monthly staffing and operating costs for Friends of the Recreation and Park, the contractor administering the San Francisco County Fair.

Mr. Dut Wong of the Recreation and Park Department advises that the revolving fund is needed because the Friends of the Recreation and Park does not have sufficient working capital to pay up-front costs for staff and operating expenses on a monthly basis. The Friends of the Recreation and Park writes checks against the revolving fund to pay for program expenditures, then submits invoices, for actual expenditures, to the City to replenish the revolving fund. The City's 1990-91 contract with the Friends of the Recreation and Park is in the amount of $234,350.

**Comments:** 1. Mr. Luna advises that while the revolving fund has existed since 1985, the Department, as a result of administrative oversight, did not follow the procedure to request an amendment to the Administrative Code for the authority to have such a fund.

2. Mr. Dave Fong of the Controller's Office reports that the Recreation and Park Department initially established the revolving fund through the Controller's Office in 1985. However, Mr. Fong advises that it was only recently determined by the Controller that the Recreation and Park Department did not have the legal authority for the fund.

3. Since the State has provided the $10,000 allocation to the City to establish the revolving fund, no additional supplemental appropriation is needed.

**Recommendation:** Approve the proposed ordinance.

Item 13 - File 127-89-7

**Note:** This item was continued at the May 30, 1990 meeting of the Finance Committee. On August 6, 1990, substitute legislation was introduced to the Board of Supervisors. The following report addresses the substitute legislation.

1. The proposed ordinance would amend Part III, Article 3 of the San Francisco Municipal Code (Revenue/Business Regulations) by adding Section 251.1 to require individuals or businesses that knowingly rent out a room or other enclosed space to transient merchants to notify the Tax Collector of the renting. A transient merchant is any person or firm that engages in a temporary business in San Francisco of selling merchandise, other than food or food products, and that rents a hall in a hotel or other enclosed space to exhibit and sell the merchandise.

2. The proposed ordinance would require notification to the Tax Collector within ten days prior to the exhibition and sale of merchandise or within ten days of registering to rent the space. For the purposes of this section, a transient merchant would not include an exhibitor at a conference or convention. The proposed ordinance provides that the Tax Collector shall establish the rules and regulations and notification forms for administering the proposed ordinance, and shall notify the public and allow a 30-day comment period prior to issuing or changing the rules and regulations.

3. Under the proposed ordinance as amended, neither civil nor criminal penalties would apply to companies violating the provisions of the proposed ordinance. Prior versions of the proposed ordinance included civil penalties of 25 percent of the merchant's gross sales or $500, whichever was greater. The penalties were deleted from the legislation in response to the Tax Collector's concerns that the ordinance would be difficult to enforce. The proposed ordinance, as amended, would also provide that the Tax Collector may seek court orders as necessary to obtain information on rentals to transient merchants.

4. Currently, Part III, Article 3 of the Municipal Code requires transient merchants operating in the City to obtain a license from the Tax Collector. The license is issued on a quarterly basis and costs a minimum quarterly fee of $500 plus ten percent of gross receipts in excess of $5,000 from sales made during the quarter. The transient merchant is also required to file a $5,000 bond with the Tax Collector before a license may be issued. Violation of these provisions are punishable by a fine of up to $500 and up to six months in jail.

## Comments

1. The proposed ordinance would pertain to the person or business renting out space to a transient merchant, rather than the transient merchant. According to Ms. Anita Jin of the Tax Collector's Office, the existing transient merchant provisions are difficult to enforce because transient merchants oftentimes come from out of State, sell merchandise for one weekend, and then

leave the State, without obtaining a transient merchant license. Ms. Jin indicates that the Tax Collector's Office cannot determine the amount of sales by transient merchants that occur without the proper license. Ms. Jin states that the proposed ordinance would assist the City in enforcing the transient merchant licensing requirements, and therefore should result in increased revenues to the City through the collection of additional license fees. According to Ms. Jin, the additional costs to administer the proposed ordinance and the resulting additional revenues to be collected from license fees are indeterminable at this time and would depend on the number of transient merchant sales that would be reported.

2. Ms. Jin reports that in FY 1989-90, the Tax Collector collected $2,000 from transient merchant license fees.

3. Mr. Richard Sullivan of the Tax Collector's Office indicates that the Tax Collector's Office would notify businesses of the new law, if approved, by sending notices to the Convention and Visitor's Bureau and to hotel operators listed on the Tax Collector's hotel tax rolls, as well as other methods.

4. The Budget Analyst has been informed that an Amendment of the Whole will be introduced at the Finance Committee meeting of September 19, 1990 to incorporate additional concerns of the Tax Collector. The Budget Analyst has not been provided with a copy of the proposed Amendment of the Whole, but has been informed that the following changes will be made:

- Paragraph (b): Deletion of the clause that neither civil nor criminal penalties shall be applicable to companies violating the provisions of the proposed ordinance. However, the Tax Collector would still be able to seek court orders as necessary to obtain information on rentals to transient merchants. Mr. Thad Brown, Tax Collector, states that this amendment would strengthen the language of the legislation to encourage businesses to assist the Tax Collector in carrying out the proposed ordinance.

- Paragraph (c): Rather than stating that the Tax Collector *shall* establish rules and regulations, the legislation as amended would state that the Tax Collector *may* establish rules and regulations.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**Note:** This item was passed for second reading by the Board of Supervisors on February 6, 1989. On February 27, 1989, this item was re-referred to the Finance Committee with a pending Amendment of the Whole. Approximately one year later, on February 6, 1990 pursuant to Rule 3.24, this item was filed and has been recently reactivated pursuant to Rule 4.29. The following report addresses the Amendment of the Whole.

1. The proposed ordinance would adopt the provisions of Subdivision (a) of Section 2 of Article XIIIA of the California Constitution, as amended at the November 8, 1988 election (Proposition 90). Under the proposed Amendment of the Whole, the proposed ordinance would remain in effect only until January 1, 1992, unless the Board of Supervisors extends the provisions by ordinance. Additionally, the Assessor would, by September 1, 1991, provide the Board with information regarding the impact of the proposed ordinance.

2. State law now provides that homeowners over the age of 55 may transfer the current assessed valuation of their home to a replacement home in the same county. Homeowners may qualify for this benefit if they buy or build a replacement home within two years of selling their previous home and the replacement home is of equal or lesser value than the sales price of the home being replaced. The approval of Proposition 90 authorized the State Legislature to extend this program to homeowners who wish to move to different Counties within the State. Counties must adopt an ordinance to permit participation in the special valuation program. As with the existing, intra-county program, homeowners must buy or build a replacement home within two years of selling their previous home and the replacement home must be of equal or lesser value then the sales price of the previous home.

For example, if a homeowner over the age of 55 residing in Butte County in a property assessed at $100,000 were to sell said property for $300,000, then this individual could purchase a replacement home in San Francisco, as long as the purchase price was equal to or less than $300,000, and transfer the assessed valuation of $100,000 for the previous home in Butte County to the new home in San Francisco County. Normally, the new home would be assessed at the fair market value of $300,000. For this example, under the special valuation procedure allowed by Proposition 90, the homeowner would pay property taxes to San Francisco of $1,014 annually, based on an assessed value of $100,000 instead of property taxes equal to $3,194 annually based on a fair market value assessment of $300,000.

3. The State Legislature adopted AB 2878 in September, 1988, which effected statutory implementation of Proposition 90 pending voter approval on November 8, 1988. AB 2878 therefore became effective on November 9, 1988. However, State Board of Equalization legal interpretation of AB 2878 provides that the program would not become effective in individual Counties until a local ordinance is adopted.

4. According to information provided to the Assessor's Office by the Continental Land Title Company, as of August 31, 1989, the latest date for which information is available, 12 California Counties had adopted ordinances to enact Proposition 90; 17 had voted to disapprove adoption of an ordinance; and 29 had considered the issue but had not taken any action. The results of the survey conducted by the Continental Land Title Company are included as Attachment 1.

Comments

1. According to the text of the Constitutional amendment approved by Proposition 90, "the Legislature may authorize each county board of supervisors, after consultation with the local affected agencies within the county's boundaries, to adopt an ordinance (enacting Proposition 90)...". "Local affected agency" is defined as any city, special district, or community college district which receives an annual property tax revenue allocation. Therefore, this provision would seem to suggest that the San Francisco Board of Supervisors will need to confer with the Community College District, the Unified School District, the Bay Area Rapid Transit District and the Bay Area Air Quality Management District prior to adoption of the proposed ordinance. The City Attorney has conferred with these agencies and has been advised by each that adoption of the proposed ordinance would not have a significant impact on their respective Districts.

2. The property tax revenue lost or gained by enactment of Proposition 90 in San Francisco will depend on the net number of homes that will be bought in the City by persons qualified for the special valuation and the difference between the assessed value transferred to the new, replacement home in San Francisco and the fair market value of the properties. If eligible persons transfer a property with significantly lower assessed valuation from another County to San Francisco (for example, a property that was owned in another County since before the adoption of Proposition 13 in 1978), then the revenue loss to San Francisco in comparison to property taxes based on current, fair market values for such a property could be significant. Conversely, if a San Francisco resident, with a low, pre-Proposition 13 assessed valuation, transfers their base valuation to another County as a result of Proposition 90, then San Francisco could realize a revenue benefit because the previous San Francisco property would be reassessed at the fair market value.

3. According to Mr. Matt Ashe, Assistant Assessor, the Assessor feels that implementation of the proposed ordinance to enact Proposition 90 would have little or no impact on San Francisco property tax revenue and is recommending its adoption to the Board of Supervisors.

4. The Assessor's opinion that enactment of Proposition 90 in San Francisco would have "little or no impact on property tax revenue" is based on the premise that San Francisco is not a retirement community and that residential property values in San Francisco are generally much higher than values in other California Counties, thus severely limiting opportunities for eligible homeowners to find replacement property of a value equal to or less than their previous property.

5. It should be noted that, unless all Counties in the State adopt the Proposition 90 provisions, homeowners from Counties which do not adopt Proposition 90 provisions would have a tax incentive to move to those Counties which do adopt Proposition 90 provisions. Therefore, if San Francisco were one of the participating Counties to adopt the Proposition 90 provisions and some Counties were not participating, San Francisco could attract those homeowners wanting to take advantage of the property tax savings. This special attraction would be negated if all the Counties in California were to adopt the Proposition 90 provisions. However, as noted previously, based on the latest information available, 17 of the Counties have voted to disapprove adoption of the Proposition 90 provisions.

6. As previously noted, the City would realize an increase in assessed values if a San Francisco resident with a low, pre-Proposition 13 assessed valuation moves to another County, thereby allowing the San Francisco property to be reassessed at the fair market value. However, the City would realize this increase in value whether or not the proposed ordinance is passed. Therefore, the Budget Analyst believes that approval of the proposed ordinance could only reduce property tax revenues when non-San Francisco residents transfer their out-of-County lower-than-fair-market-value assessments to San Francisco.

## Recommendation

Approval of this proposed ordinance is a policy matter for the Board of Supervisors.

Information provided by: Lee Duley - Sales Representative
*Continental Land Title*
167 S. San Antonio Road, Los Altos, CA 94022
(415) 941-4474

## PROPOSITION 90 STATUS FOR ALL CALIFORNIA COUNTIES AS OF 8/31/89

(PROPOSITION 90: (ACA-1-Elder) Enabling Legislation: AB 2878 Elder - Allows homeowners aged 55 or older to transfer the current assessed value of their home to a replacement dwelling in another county if the County Board of Supervisors for the county in which the replacement home is located adopts an ordinance to participate in the program. There is no deadline date for approval, but, the ordinance must remain in effect for a minimum of five years.)

| | County | Approved/ Date Effective | Disapproved/Date | Considered But No Action Taken | Comments |
|---|---|---|---|---|---|
| • | Alameda | 7/13/89 | | | |
| | Alpine | | | x | |
| | Amador | | | x | |
| | Butte | | 5/23/89 | | |
| | Calaveras | | | x | |
| | Colusa | | | x | |
| | Contra Costa | 5/19/89 | | | |
| • | Del Norte | | | x | 8/28/89 Considered |
| • | El Dorado | | 1/31/89 | | |
| | Fresno | | 2/28/89 | | |
| | Glenn | | | x | |
| | Humboldt | | | x | |
| • | Imperial | | | x | |
| | Inyo | 8/10/89 | | | |
| | Kern | 2/2/89 | | | |
| | Kings | | | x | |
| | Lake | | | x | |
| | Lassen | | | x | |
| • | Los Angeles | 4/30/89 | | | |
| | Madera | | N/G | | |
| | Marin | 3/30/89 | | | |
| | Mariposa | | | x | |
| | Mendocino | | | x | 12/6/88 Tabled by Supervisors |
| • | Merced | | | x | |
| | Modoc | 7/16/89 | | | Ordinance #289 |

# PROPOSITION 90 STATUS FOR ALL CALIFORNIA COUNTIES AS OF 8/31/89

| County | Approved/ Date Effective | Disapproved/Date | Considered But No Action Taken | Comments |
|---|---|---|---|---|
| Monterey | | 1/24/89 | | |
| • Napa | | | x | |
| Nevada | | N/G | | |
| Orange | 2/14/89 | | | |
| Placer | | 5/9/89 | | |
| Plumas | | | x | |
| • Riverside | 4/7/89 | | | |
| Sacramento | | 1/7/89 | | Financial analysis impact report available |
| San Benito | | | x | |
| San Bernardino | | 5/15/89 | | |
| San Diego | 3/23/89 | | | |
| San Francisco | | | x | |
| • San Joaquin | | | x | |
| San Luis Obispo | | 2/22/89 | | Reconsider Fall 1989 |
| • San Mateo | Fall 1988 | | | |
| Santa Barbara | | N/G | | |
| Santa Clara | 6/22/89 | | | |
| • Santa Cruz | | N/G | | |
| Shasta | | 2/28/89 | | Analysis report available |
| • Sierra | | | x | |
| Siskiyou | | | x | |
| Solano | | 3/7/89 | | |
| • Sonoma | | 12/8/88 | | |
| Stanislaus | | | x | |
| Sutter | | | x | Reconsider in 1990 |
| Tehama | | | x | |
| Trinity | | | x | |
| Tulare | | | x | Reviewed by Supervisors |
| Tuolumne | | | x | Reviewed by Supervisors |
| • Ventura | | 3/89 | | |
| • Yolo | | 5/2/89 | | Unanimous vote |
| Yuba | | | x | |

N/G = Date not given but action taken by Supervisors; • = phone response
All responses received in writing except as noted by •.

Item 15 - File 127-90-11

1. The proposed ordinance would amend Part III of the San Francisco Municipal Code (Revenue/Business Regulations) by adding Article 14 thereto, imposing an event admission tax of $1 on any show, performance, display or exhibition, including, but not limited to, the following types of events: sporting events, whether professional or amateur; carnivals, circuses, or similar events; museums, operas, symphonies, and other musical and artistic shows or events; all theatrical and motion picture shows, whether depicted live or through film or other media; and all other types of entertainment, performances, and exhibits.

2. The proposed ordinance would require every event operator, defined as the person conducting, sponsoring, or maintaining an event, to collect the $1 tax for each admission fee charged or ticket sold to each event and to hold the collected tax amounts in trust until payment is made to the Tax Collector. Operators would be required to remit the proceeds of the tax to the Tax Collector, with a remittance statement on a form to be prepared by the Tax Collector, within 16 days of the calendar month following any month during which admission fees were charged or tickets were sold. The event operator would be required to include the amount of the event admission tax to be paid on the face of the ticket that is taken up at the event.

3. Event operators would also be required to file a statement of registration with the Tax Collector, in accordance with administrative procedures established by the Tax Collector, prior to the event. An operator conducting events on an ongoing basis could file one statement of registration for such ongoing events.

4. The proposed ordinance empowers the Tax Collector to enforce its provisions as follows:

a. Determine the tax due for tax statements deemed by the Tax Collector to be erroneous or not filed;

b. For good cause, extend the time, not to exceed one month, for making any return or payment of tax;

c. Make deficiency determinations for returns deemed deficient.

5. The amount of deficiency determination, exclusive of penalties, shall bear interest at the rate of one-half of one percent per month, or fraction thereof, from the last day of the month following the close of the deficiency period until the date of payment. The stipulated interest is also applicable to any extension granted, including that specified in sub-paragraph 4b above.

6. The proposed ordinance contains the following penalties for fraud or intent to evade deficiency determinations:

a. A penalty of 25 percent of the amount of the deficiency for which a deficiency determination is made due to fraud or an intent to evade the provisions of this proposed ordinance or authorized rules and regulations;

b. A penalty of 10 percent of any part of the deficiency for which a deficiency determination is made due to negligence or intentional disregard of this proposed ordinance or authorized rules and regulations;

c. A penalty of 10 percent on any amount the Tax Collector shall make an estimate of for failure of the event operator to make a return;

d. A penalty of 25 percent, in addition to the 10 percent cited in sub-paragraph c. above, if the failure of any person to file a return is due to fraud or an intent to evade the provisions of this proposed ordinance.

6. In making a determination, the Tax Collector may offset overpayments for a period or periods together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments.

7. The proposed ordinance provides for the manner in which service of enforcement notices is to be made.

8. The proposed ordinance provides for petition for redetermination from amounts determined by the Tax Collector to be due from an event operator and creates a Board of Appeal (Board), consisting of the Chief Administrative Officer, the Controller, and the Assessor. Any member of the Board may deputize, in writing filed with the Board, any person in the member's office to serve in the member's place on the Board for such period as the member may desire. The Board shall be deemed to be in the office of the Chief Administrative Officer. The Board shall have powers and duties as follows:

a. To hear and determine appeals of orders or decisions of the Tax Collector made upon petitions for redetermination of tax;

b. To approve, modify, or disapprove all forms and rules and regulations prescribed by the Tax Collector in the administration and enforcement of this proposed ordinance;

c. To hear and determine any protest which may be made to any form, rule, or regulation approved or prescribed by the Board;

d. To grant for good cause applications for extension of time in excess of one month for making any return or payment of tax.

9. All monies collected pursuant to this proposed ordinance would be deposited to the General Fund and subject to appropriation in accordance with the City's budget and fiscal provisions.

10. Any person violating any of the proposed ordinance's provisions would be guilty of a misdemeanor, which would be punishable by a fine of not more than $500 or by imprisonment in the County jail for a period of not more than six months, or by both such fine and imprisonment.

11. Exempted from these provisions are any receipts from admission fees from which the Stadium Operator Admission Tax is collected. The Stadium Operator Admission Tax is collected for all tickets sold for events at Candlestick Park where the ticket price is $13 or above and for those tickets below $13 that exceed an attendance count of 42,500 at any one event.

Comments

1. The Budget Analyst estimates that annual revenues from the proposed $1.00 event admission tax would be $9,027,803 as follows:

| Type of Event | Estimated Annual Revenues |
|---|---|
| Movie Theaters | $4,750,000 |
| Live Theaters | 934,000 |
| Opera, Ballet and Symphony | 1,335,000 |
| Baseball Games at Candlestick Park | 2,008,803* |
| Total Estimated Annual Revenue | $9,027,803 |

Additional revenues of an unknown amount would be received for carnivals and circuses and for all other miscellaneous types of entertainment, performances, and exhibits.

2. Mr. Thad Brown, City Tax Collector, estimates that a total of 5 staff positions and related expenses, estimated to cost approximately $250,000 annually, would be required to perform the duties described in the proposed ordinance.

* Games not subject to the Stadium Operator Admission Tax. This amount would go to zero if the San Francisco Giants depart the City and their use of Candlestick Park is not replaced. In accordance with this proposed ordinance, no revenues are estimated on 49er ticket sales since this proposed tax exempts tickets sold for which an admission tax is already charged.

3. Section 1415, "Offsetting of Overpayments," and Section 1421, "Manner of Computation: Offsets: Interest," of the proposed ordinance are identical except for punctuation.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Committee decides to approve the proposed legislation, amend the ordinance by deleting Section 1415 or Section 1421.

Item 16 - File 194-90-2

1. The proposed resolution would urge the Mayor to urge the Police Commission to allocate funds from the Narcotics Forfeiture Fund to provide care for persons whose mental health has been affected by drug abuse and who are living in board and care facilities.

2. The Narcotics Forfeiture Fund (Fund) was established in 1986 to receive revenue from the State and Federal governments when the City participates in activities leading to narcotics arrests and forfeitures. The San Francisco Administrative Code, Section 10.117-54, requires that money from the Fund be used exclusively for law enforcement purposes to fund enforcement, training, prevention and prosecution programs and to procure equipment related to the enforcement of narcotics laws. As of September 10, 1990, the Fund contained a balance of $564,965.

3. Board and care facilities provide three meals per day, and 24-hour care and supervision and medication monitoring for mentally disabled persons. According to the Department of Public Health (DPH), the number of private licensed board and care facility beds in San Francisco has declined by 49 percent from 1,278 beds in 1978 to approximately 653 beds in 1990. The DPH reports that, due to the shortage of licensed board and care facilities, clients ready for discharge from acute and sub-acute facilities have frequently had to wait for months for a residential care bed in the community. The DPH reports that while approximately 80 percent of the clients are alcohol abusers, only a small percentage of the clients are drug abusers.

Comments

1. The Board of Supervisors has previously requested that expenditures from the Narcotics Forfeiture Fund be appropriated on a fiscal year basis. In accordance with this, the Board approved expenditures from the Fund for the interim budget period between July 1, 1990 through August 31, 1990 totalling $106,740 (File 101-89-144). Additionally, on August 13, 1990, the Board of Supervisors approved an ordinance (File 101-89-144.1) appropriating $533,708 in Narcotics Forfeiture Fund monies for September 1, 1990 through June 30, 1991. The September 10, 1990 fund balance of $564,965 is net of these recently-approved supplemental appropriations.

2. Ms. Mary Jane Sylvia of the City Attorney's Office states that the City Attorney believes that the proposed use of the Fund monies for board and care facilities may not be in accordance with State statutes that specify the allowable uses of Narcotics Forfeiture Fund monies.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 17 - File 121-90-5

1. The proposed ordinance would amend Part II, Chapter VIII, Section 2402 of the San Francisco Municipal Code (Police Code) to provide for compensation to members of the Advisory Committee of Street Artists and Craftsmen Examiners.

2. The Advisory Committee of Street Artists and Craftsmen Examiners is composed of five members and is responsible for verifying that art and craft items, for which an applicant seeks street artist certification for purposes of the sale of the items, have in fact been made by the applicant or his or her family unit. Under Section 2402 of the Police Code, each member of the Advisory Committee of Street Artists and Craftsmen Examiners is currently entitled to receive $35 for each meeting actually attended, if the member is in attendance for at least 50 percent of a meeting lasting four or more hours. Additionally, each member is entitled to receive $35 for each on-site visit to the studio or workshop of an applicant for a street artist certificate, or for the performance of such other function that may, on occasion, be deemed appropriate by the Arts Commission. The legislation provides that under no circumstances would the amount paid each member exceed $1,050 per year for a combined total of thirty meetings and studio visits. Overall, the current annual costs cannot exceed $5,250 ($1,050 times 5 members).

3. The proposed ordinance would amend Section 2402 of the Police Code to provide that each member of the Advisory Committee of Street Artists and Craftsmen Examiners would receive $50 for each meeting actually attended by the member, if the member is in attendance for at least 50 percent of a meeting lasting four or more hours. Additionally, the proposed legislation would entitle each member to receive $50 for each on-site visit to the studio or workshop of an applicant for a street artist certificate, or for the performance of such other function that may, on occasion, be deemed appropriate by the Arts Commission. The proposed legislation provides that under no circumstances would the amount paid each member exceed $1,250 per year for a combined total of 25 meetings and studio visits. Overall, the proposed annual costs could not exceed $6,250 ($1,250 times 5 members). The proposed maximum annual costs of $6,250 is $1,000 more than the current maximum annual costs of $5,250. On an annual basis the maximum increased compensation to each member would be $200 ($1,250 less $1,050).

4. Mr. Howard Lazar, Director of the Street Artists Program reports that the current $35 fee rate paid to members of the Advisory Committee of Street Artists and Craftsmen Examiners was established in 1976. According to Mr. Lazar, due to cost-of-living increases, the $35 fee rate no longer represents adequate compensation for the services provided by the Committee members. Mr. Lazar advises that he has, in the past, experienced some difficulty in filling positions on the Committee and in retaining Committee members. He believes that the increase in the fee is needed in order to continue to attract and retain qualified artists on the Committee. Mr. Lazar adds that the proposed decrease in the combined total of meetings and studio visits from 30 to 25 is because the

Committee members actually attend, on the average, approximately 25 meetings and studio visits annually.

5. The members of the Arts Commission serve without compensation. The proposed $50 fee compensation for the Advisory Committee of Street Artists and Craftsmen Examiners would be equal to the $50 compensation fee per meeting currently received by the Fire Commission, and would exceed the approximately $16 to $25 compensation fee per meeting received by the Police Commission. However, as previously noted, Mr. Lazar believes that the proposed compensation is justified.

6. The Advisory Committee of Street Artists and Craftsmen Examiners' compensation is funded by revenues from Street Artist certificate fees The annual cost of a Street Artist Certificate fee is $230. Mr. Lazar advises that the total revenue amount budgeted for the Artist certificate fees for 1990-91 is $139,573. Although additional monies were approved by the Board of Supervisors in the Arts Commission's FY 1990-91 budget which are sufficient to pay for the proposed increase in compensation for the Committee members, the specific proposed fee increase was not fully described in the budget explanations.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Memo to Finance Committee
September 19, 1990

Item 18 - File 100-90-8

**Note:** This item was continued from the September 5, 1990 Finance Committee Meeting.

1. This item is a hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health, social services and criminal justice departments, as well as the poor and infirmed. The Budget Analyst worked together with the Legislative Policy Analyst staff to prepare the following information.

2. On July 31, 1990 Governor Deukmejian signed the FY 1990-91 State of California budget, which contained a total General Fund budget of $42.9 billion. This FY 1990-91 General Fund budget is approximately $3.1 billion or 7.6 percent greater than the the FY 1989-90 State General Fund budget. Together, the State's General Fund, Special Fund and Bond Funds FY 1990-91 budget, including proceeds from the recent Proposition 111 voter approved Gas Tax increase, totals $55.7 billion, or approximately $6.3 billion or 12.8 percent greater than the State's FY 1989-90 total budget.

3. Although the State budget has increased over the past year, the FY 1990-91 State budget reflects significant reductions in specific programs which will directly impact on the City and County of San Francisco. On August 7, 1990, the Controller issued a memo to the members of the Finance Committee regarding the proposed State budget reductions. At that time, the total preliminary budget impact on San Francisco for FY 1990-91 was between $24 million and $37.1 million. These reductions would affect the Department of Public Health, specifically the Medically Indigent Services Program, the Mental Health Department and Laguna Honda Hospital, the Department of Social Services, Trial Court Funding, the Juvenile Justice system and various previous State mandates and miscellaneous State programs.

4. As a result of a compromise package which was subsequently approved by the State Legislature on August 31, 1990, there was approximately $11.5 million of additional State funding made available for San Francisco's Medically Indigent Services Program (MISP) and the Mental Health Department.

5. Mr. Dave Fong of the Controller's Office reports that the Controller has just completed their accounting of total actual San Francisco revenues and expenditures for FY 1989-90. Based on additional close-outs that were previously not identified and adjustments for the tax rate cost of living adjustment together with increased appropriations for the Art Commission's Municipal Symphony Concerts and the District Attorney's Family Support Bureau's Welfare and Assistance Programs, the City's General Fund General Reserve of $8,500,000 approved during the 1990-91 budget process has been increased by a net total of $2,360,492 for a total General Fund General Reserve of $10,860,492.

6. Public Health Department: The level of State proposed cuts in the Health Department is currently estimated to total approximately $10 million. Reductions in State funding for the Medically Indigent Services Program will result in a cut of approximately $3,375,000 for San Francisco. In addition, a reduction of $5,750,000 in mental health services in San Francisco is currently projected. Another approximately $650,000 in reductions for cost of living adjustments at Laguna Honda Hospital are also projected based on the State's reduction of the cost of living adjustments not taking effect until January 1, 1991.

Proposition 99, or AB75 Tobacco Tax funds may also be affected by the proposed State budget cuts because AB75 contains a maintenance of effort requirement for receipt of Proposition 99 funds. Failure to maintain the AB75 specified level of funding for outpatient services, AB8 and Medically Indigent Services Programs could result in the loss of Proposition 99 funds. The Health Department reports that they are currently examining these potential additional budgetary impacts.

The Board of Supervisors held a Beilensen Hearing on August 27, 1990, which is required because of the service level reductions which will be necessary. The August 27 hearing was scheduled to discuss two levels of departmental cuts - $5 million (A level reductions) and $10 million (B level reductions). Since more than $10 million in funding for public health services were previously anticipated to be cut from the Health Department, the Health Commission met on August 21 to discuss reductions totalling $25 million (C level reductions). To date, the Board of Supervisors has not made a finding regarding the Beilensen Hearings.

The Department of Public Health reports that the process of determining and implementing budget reductions has begun. The Department has limited many service contracts to 30 days and has begun the process of employee notification regarding potential layoffs. The Health Department used the following "guiding principles" when determining where to make the proposed programmatic cuts in each of its divisions:

(1) Maintain essential public health services

Provide basic level of care to those with no other option
Maintain accreditation and licensing standards
Maintain mandated services and services critical to the community

(2) Maintain integrity of support services (finance, personnel, contracts, MIS) relative to service levels and revenue generating requirements.

Minimize loss of revenues generated by billing, fees, grants
Minimize loss of revenues attributable to audit disallowances
Maximize alternative sources of revenues.

(3) Where possible and appropriate, consolidate/integrate services to provide multiple health services (e.g. mental health, public health, substance abuse, HIV) at primary care sites.

(4) Allocate budget reductions equitably among major DPH divisions.

The Department of Public Health has proposed a policy resolution expanding these guiding principles to include the following:

Maintain legal mandate that establishes the County as the "provider of last resort" for indigent residents (Welfare and Institutions Code Section 17000).

Use DMSF Strategic Plan to guide reductions in mental health, substance abuse and forensics.

According to Ms. Jan Ouren, Assistant Director of Planning for the Health Department, the cuts in the Public Health Department have been allocated equitably based on the percentage of General Fund revenues in each division.

7. Department of Social Services: The San Francisco Department of Social Services projects that State budget cuts will result in over a $6 million reduction in State allocations for administration and State and local contributions for client assistance in FY 1990-91. However, as a result of recent decisions by the State Department of Social Services, combined with more aggressive claiming of federal reimbursements, the Department is estimating an overall shortfall of approximately $1.0 million. The budget cuts projected by the Department of Social Services are as follows:

(1) Elimination of AFDC COLA for 1990-91 As of June 30, 1990, San Francisco had a total of 12,370 families on AFDC. These families receive an average of $605 per month and as a result of the State's budget cuts, these families will not receive a cost of living (COLA) increase in their aid payments in 1990-91. Approximately $4 million in State and federal aid for purposes of the AFDC COLA would have been matched by San Francisco's local share of $208,000. As a result of the elimination of this COLA, San Francisco will not receive State and federal funds, nor spend its local share of $208,000.

(2) Elimination of AFDC, Food Stamp, and MediCal Administrative COLA Each year, the local government cost of providing AFDC, Food Stamp and other Medical federal and State program services increases by a cost of living adjustment. These increases include salaries, fringe benefits, materials and supplies. As reflected in the Attachment, the lack of these COLA reimbursements from the State and federal government were initially estimated to result in approximately $2 million of budget reductions for San Francisco. However, based on more current information provided by the State, the Federal government would have provided 50 percent of the increased costs ($640,000) required to provide these services. This amount must be matched at the State and local level. The 1990-91 State budget does not include its usual 25 percent match ($320,000) which means that San Francisco must come up with the entire 50 percent match or risk losing the entire federal grant. Thus, the loss of federal ($640,000) plus State funds ($320,000) is now estimated to result in a total loss of $960,000.

(3) AFDC Homeless Assistance There will be an unspecified $5 million reduction in this $40 million State-wide program. San Francisco spent $1.5 million in 1989-90 on this program. The specific impact on San Francisco has not yet been identified but is not expected to be significant.

(4) GAIN Program Currently, there are 1,542 clients enrolled in this program in San Francisco. The estimated FY 1990-91 City budget for this program was $4,374,830, entirely funded by the State. The amount proposed by the Governor for 1990-91 is $4,160,000, a reduction of $214,830, although this is not expected to directed impact on the City's budget. Full participation in this program (8,500 clients) is mandated by the State Legislature to take place within two years.

(5) Children's Services Recent information indicates that Children's Welfare Services have been cut by $55 million State-wide. This includes programs such as Emergency Response, Family Maintenance, Family Reunification and Permanent Placement. The Department of Social Services and the Mayor's Office is not projecting any additional budget reductions in San Francisco for such Children's Services.

In addition to the reductions outlined above, the Department of Social Services will not be paying an additional $1,690,000 which was set aside in a reserve account for a General Assistance program cost of living (COLA) increase. Section 20.57(d) of the San Francisco Administrative Code requires that the General Assistance grant amounts be adjusted each year " by the annual percentage cost of living increase or decrease" which is applied by the State Legislature to the Aid to Families with Dependent Children (AFDC) Program. Since the 4.6 percent AFDC COLA has been eliminated from the State budget, the City will also eliminate the GA COLA, which will reduce GA expenditures. As of June, 1990, 10,382 persons eligible for General Assistance were receiving an average stipend of $341 per month from the City.

8. Trial Court Funding: Based on a State reduction of ten percent from the FY 1989-90 allocation and the deletion of the cost of living adjustment projected, San Francisco is projected to receive a reduction of $2.5 million for Trial Court Funding in FY 1990-91. It should be noted that the proposed State reduction is not a one-time reduction but is intended to be a continuing reduction that will be incorporated in the Trial Court Funding base for future years.

It was initially anticipated that San Francisco would have received approximately $16.2 million in Trial Court Funding in FY 1990-91. Therefore, a reduction of $2.5 million would result in a total allocation of approximately $13.7 million for San Francisco from Trial Court Funding in FY 1990-91.

For FY 1990-91, the Board of Supervisors had committed by resolution that one-third of the 1990-91 Trial Court Funding block grant would be received by the Municipal and Superior Courts, similar to the commitment made for FY 1989-90. All Trial Court Funding block grant monies not going directly to the courts, or approximately two-thirds of the Trial Court Funding block grant, is credited to the General Fund which finances court operations. All City and County budgeted costs for court operations, including the County Clerk's Office, are approximately $43 million in FY 1990-91.

Based on the projected $2.5 million reduction in Trial Court Funding for San Francisco, if the same allocation as approved in the prior resolutions were applied, one-third of the proposed reduction would total an approximately $833,333 reduction in Municipal and Superior Courts funding and two-thirds of the proposed reduction would total an approximately $1,666,667 reduction in General Fund monies. If this reduction were equally distributed between the Municipal and Superior Courts, it would result in a reduction of approximately $416,667 to the Municipal Court and $416,667 to the Superior Court.

At the August 29, 1990 Finance Committee meeting, a request was made for letters to be sent to both the Municipal and Superior Courts for their input regarding how the specific reductions would be allocated.

As shown in Attachment 1, the Municipal Court is proposing a combination of increases in court filing fees to become effective January 1, 1991 and anticipated to generate $135,000 of additional revenues and reductions in services and equipment, estimated to save $281,667, for a total of $416,667 to offset the proposed budget reductions. Similarly, as shown in Attachment 2, the Superior Court is proposing a combination of increases in court filing fees to become effective January 1, 1991 and anticipated to generate $120,000 of additional revenues and reductions in fee and other compensation expenditures and equipment purchases, estimated to save $296,667, for a total of $416,667 to offset the proposed budget reductions. According to these estimates provided by the Municipal and Superior Courts, the proposed reductions would together offset a total of $833,334 of State budget reductions, or one-third of the $2.5 million reduction in Trial Court Funding monies received by San Francisco. The Budget Analyst will review the courts' estimates and report on these estimates to the Finance Committee on September 26, 1990.

According to information provided by Mr. Park-Li, the State budget reductions provide for courts and counties to negotiate the impact of the proposed reductions, as addressed in a new subsection of the Government Code (Section 77200(d); SB 2557). This subsection states that in any year in which the block grant is reduced, the county may reduce expenditures for "court operations" by an amount not exceeding the dollar amount of the cut in the block grant. Such discretionary language does not require the backfilling of such cuts from other revenues nor does it require that counties pass such cuts onto the courts. Specifically how the Trial Court Funding budget reductions are allocated in each county is at the discretion of the courts and the county.

9. Juvenile Justice: The State budget reductions resulted in an overall 50 percent reduction in Criminal Justice Council funding, specifically AB90 funding.

In early August, 1990 the Mayor's Criminal Justice Council (MCJC) submitted a resolution to apply for, accept and expend State grant subvention funds to the Board of Supervisors which was approved for $1,620,242 for FY 1990-91. However, the State informed MCJC that based on the State's budget cuts, the City would only receive a total grant allocation of $825,746 a 49 percent reduction ($794,496) in the original grant amount. According to Mr. Jim Buick of MCJC, MCJC's Youth Services Task Force made recommendations to MCJC's Executive Committee concerning the specific areas for reducing the proposed State grant allocation. These recommendations, in the form of a resolution, to apply for, accept and expend the $825,746 State grant funds were approved by the Finance Committee on August 29, 1990.

However, the Finance Committee instructed the MCJC to not reduce funding to its contractors, but rather to continue paying these contractors at the full $1.6 million allocation level, to review MCJC's proposed reductions and to present alternative recommendations for levels of funding and services to the Finance Committee meeting. At the September 5, 1990 Finance Committee, Mr. Jim Buick presented a prioritized ranking of the services and the cost for reinstating these services that were reduced due to the State budget cuts.

10. State Mandates: The California Constitution generally provides that whenever the State Legislature or any State agency mandates a new program or a higher level of service on any local government, the State shall provide a subvention of funds to reimburse the local government for the costs of the program or increased level of service. However, SB 1333, recently approved by the State Legislature, provides that local agencies would not be required to implement a new program or higher level of service if it has been specifically identified by the Legislature in the Budget Act as being one for which reimbursement is not provided for that fiscal year.

The specific State mandates that would be optional in FY 1990-91 and would no longer be reimbursed by the State are as follows:

Investigations of Guardianship
Juvenile Felony Arrests
Victims Statements
Dental Examinations
Marijuana Records
Motorists Assistance
Missing Persons Reports
Signatures for Filing Fees
School Crossing Guards
Airport Land Use
Pretreatment Facilities
Short-Doyle Audits
Detention of Minors
Investment Reports
Open Meetings Act
Real Property Subdivision Mergers
Personnel Files

Based on estimates provided by the Controller's Office, the City would receive an approximate $700,000 reduction in State revenues from these previous State mandates. The Mayor's Office reports that an approximate $250,000 reduction in FY 1990-91 budgeted funds would result from the loss of these revenues.

According to SB 1333, if San Francisco elects to implement these optional programs, although State funds would not be available for reimbursement, SB 1333 provides that the local jurisdiction may assess fees for such services, provided that the fees do not exceed the reasonable costs of the services. Estimates of potential revenues if these services were continued and fees were assessed for these programs or services have not been made by the County, to date.

In addition to the above listed State mandates, reimbursement of Indigent Defense capital cases that are assigned to San Francisco will no longer be available for reimbursement from the State. San Francisco's costs incurred for such capital cases have previously been eligible to receive State reimbursement.

11. Miscellaneous Program Reductions: The Controller's Office had initially estimated a total of another approximately $1.0 million in miscellaneous State budget costs would directly impact on a variety of other programs throughout San Francisco. Although specific allocation of the $1.0 million to departmental programs or service reductions had not been determined, it is known that $116,500 reduction from the State Foundation Fund for the Public Library's services would be part of these reductions. The Mayor's Office reports that the only specific reduction that has been identified thus far is a total of $120,000 from the Public Library.

12. Mayor's Response: In response to the State's budget cuts, the Mayor's Office issued a memo to all City Departments indicating a need to reallocate some of the City's General Fund resources from City departments which have not been directly impacted by the State funding cutbacks and requested that all departments review their FY 1990-91 budgets and "identify options for reducing General Fund spending by two percent during the 1990-91 fiscal year".

The total FY 1990-91 General Fund budget, including the General Fund allocations to MUNI, San Francisco General Hospital and Laguna Honda Hospital and excluding the General Fund allocations to general City responsibilities, such as bond interest and redemption, workers compensation, retirement, health service and claims and judgements is approximately $1.6 billion. An across the board two percent General Fund budget reduction would total an approximately $32 million savings.

On September 14, 1990, the Mayor presented a proposal to the Board of Supervisors to reduce City department's expenditures and increase City revenues to offset the State's budget cut. As reported by the Mayor's Office, the State budget reductions totalled $14,445,000 for FY 1990-91. As reported by the Mayor, additional adjustments to the City's budget result in a net shortfall of $13,745,000 in the City's FY 1990-91 budget.

The Mayor's proposal to eliminate this shortfall include an increase in the annual Business Registration Fee from $75 to $150, estimated to generate an additional $3.7 million annually, an increase in the annual Rent Board Fee from $4 to $8, estimated to generate an additional $650,000 annually and additional Municipal Railway revenues of $2.5 million, which were not known at the time of the preparation of the City's budget for Fiscal Year 1990-91, for a total of $6.85 million of additional revenues. The Mayor's proposal also includes reductions in spending in the Health Department ($4.6 million), Social Services ($287,500), Municipal and Superior Courts ($800,000), Public Library ($58,500), Juvenile Justice ($384,000) and Other Departments ($800,000) for a total spending reduction of $6,930,000. The $800,000 of reductions in Other Departments include Fire Department ($420,000) Parking and Traffic ($283,000), Electricity ($80,000) and Recreation and Parks ($17,000).

Together, the Mayor's revenue and expenditure proposals provide a net balance of $13,780,000, which would more than offset the Mayor's projected budget shortfall of $13,745,00 for FY 1990-91.

13. Revenue Potential: The State budget includes provisions for counties to generate new revenues by levying fees and taxes on cities, schools, unincorporated areas and special districts within counties. However, San Francisco, as both a City and a County, does not have the ability to realize many of these revenues.

If San Francisco charged the Community College District and the San Francisco Unified School District for their pro-rata share of the City's administrative expenses incurred for property tax assessment and collection costs, it is estimated that the City and County could recover approximately $900,000 of additional revenues. San Francisco could also charge the Bay Area Rapid Transit District (BART), the Community College District and the Unified School District for their jail booking costs. Such an assessment is estimated to generate approximately $100,000 annually.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
Chief Adminstrative Officer
Controller
Carol Wilkins
Ted Lakey

# THE MUNICIPAL COURT OF THE CITY AND COUNTY OF SAN FRANCISCO

City Hall
Room 300
San Francisco, Ca 94102

(415) 554-4521

Hall of Justice
850 Bryant St.
San Francisco, Ca 94103

September 14, 1990

Supervisor Nancy Walker
Chair, Finance Committee
Room 235, City Hall
San Francisco, CA 94102

Dear Supervisor Walker:

Pursuant to the request of the Finance Committee, the Municipal Court has reviewed its 1990-91 budget and submits the following adjustments to its revenue and expenditure accounts. These adjustments will offset state cuts by $416,667.00.

I. REVENUE:

| Index Code | Object | Description | Original Estimate | Revised Estimate | Increase |
|---|---|---|---|---|---|
| 040709 | 7001 | Court Fees | $1,200,000 | $1,335,000 | $ 135,000 |

We will raise our civil filing fee effective January 1, 1991.

II. EXPENDITURES:

| Index Code | Object | Description | Original Estimate | Revised Estimate | Decrease |
|---|---|---|---|---|---|
| 317016 | 1200 | Other Services | $ 767,125 | $ 655,473 | <$111,652> |
| 317016 | 2200 | Equipment | 57,743 | 52,693 | < 5,050> |
| 317016 | 2310 | Eqpt Lease/Purchase | 1,077,570 | 912,605 | < 164,965> |
| | | | $1,902,438 | $1,620,771 | <$281,667> |

In addition to the above amounts, an undetermined amount of savings could be realized if the Court's weekend bail functions were shifted to another agency which currently maintains a 24-hour operation. We are available to work with the Budget Analyst's office to review this issue.

Any further cuts would reduce our capability to maintain the current level of services to the public, our ability to implement new programs, and would result in loss of revenue due to delays in the processing of parking citations. Your assistance to prevent this from happening is greatly appreciated.

Sincerely yours,

Gordon Park-Li
Clerk-Administrator

GPL:bmc

cc: Budget Analyst, Board of Supervisors
Supervisors Bill Maher, Terence Hallinan
Presiding Judge William J. Mallen
Mr. Samuel D. Yockey, Controller

wp: rev/adjust

# Superior Court of California

## San Francisco

September 11, 1990

NALD W. DICKINSON
Y CLERK/EXECUTIVE OFFICER
CITY HALL ROOM 313
(415) 554-4110

MEMORANDUM

O: FINANCE COMMITTEE, BOARD OF SUPERVISORS

ROM: Donald W. Dickinson, County Clerk/Executive Officer

UBJECT: 1990-91 - Trial Court Funding Shortfall

Per your request and that of Presiding Judge John Dearman, a ine by line analysis was made of the Superior Court/Clerk budget for he purpose of determining what changes had occurred that could impact he total needs of the Superior Court/County Clerk in light of the hortfall in Trial Court Funding.

The following information is presented to meet the $416,667 ou requested be reduced from the Superior Court/County Clerk llocation:

| | | | | |
|---|---|---|---|---|
| **Fee Increase** | | | | **$120,000** |
| 7001 Court Fees | | | $120,000 | |
| A bi-annual six percent($6.00) fee increase is authorized by the Code. This can go into effect on January 1, 1991 and will generate $20,000 per $1.00 for the six-month period. | | | | |
| **Balance Required** | | | | **$296,667** |
| 040 Fees & Other Compensation | | | $256,171 | |
| 220 Equipment Purchases | | | 40,496 | |
| Room 450 | | | $11,000 | |
| 10055Y | PA System | 1 | $11,000 | |
| Room 400 | | | 29,496 | |
| 10003Y | Chair | 4 | $1,000 | |
| 10005Y | Chair | 14 | 10,136 | |
| 10007Y | Chair | 18 | 4,860 | |
| 10019Y | Table | 2 | 900 | |
| 10029Z | Desk | 5 | 1,600 | |
| 10055Y | PA | 1 | 11,000 | |

If further information is required, please let me know.

cc: Budget Analyst, Board of Supervisors
Hon. John Dearman, Presiding Judge
Hon. Edward Stern, Assistant Presiding Judge

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# CALENDAR
## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, SEPTEMBER 26, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

ABSENT: SUPERVISOR MAHER

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 23-90-4. [Claim Against the Government] Resolution waiving the Statute of Limitations with respect to payment of two certain warrants of the City and County of San Francisco, in the sum totalling $704.85, a legal obligation of the City and County of San Francisco. (Community College District)

   b) File 47-90-11. [Parking Rate Changes] Resolution approving changes in parking rates at the Golden Gateway Garage. (Department of Parking and Traffic)

   c) File 61-90-2. [Contract Award Extension] Resolution granting extension of time for awarding Municipal Railway Contract No. MR-869, Potrero Facility Rehabilitation. (Public Utilities Commission)

   d) File 82-90-9. [Acceptance of Utility Easements] Resolution authorizing execution and acceptance of an easement agreement granting utility easements to the City by the San Francisco Redevelopment Agency and YBG Associates; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

   e) File 172-90-4.1. [California Natural Disaster Assistance Program] Authorizing second designee for the execution of any amendments, two standard agreements and any related documents necessary to participate in the California Natural Disaster Assistance Programs. (Mayor's Office of Housing)

f) File 172-90-26. [Contract] Resolution approving the contract between the City and County of San Francisco, Department of Public Health and Health Management Systems, Inc., to provide electronic claims submission services. (Department of Public Health)

g) File 101-88-148.1. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission - Hetch Hetchy, in the amount of $38,383.33 for 1155 Market Street project financial advisors (O'Melveney & Myers). (Public Utilities Commission)

h) File 101-89-33.2. [Release of Funds] Requesting release of reserved funds, Sheriff, in the amount of $255,543 for Proposition 52 Projects (new Sheriff's Facility, rental and upgrade of replacement parking during construction and fee for planning, design, and CM services); companion to File 64-90-16.1. (Sheriff)

i) File 64-90-16.1. [Release of Funds] Requesting release of reserved funds, Real Estate Department, in the amount of $22,500, new rental rates, for parking lot at 6th Street/Ahern Way for use by the Police Department; companion to file 101-89-33.2. (Real Estate Department)

j) File 153-90-4. [Grant] Ordinance authorizing the Department of Social Services to accept and expend Red Cross grant, FEMA funding and remainder of Red Cross grant to Redevelopment Agency to provide shelter, food and other assistance for the homeless. (Supervisor Walker)

k) File 101-90-16. [Government Funding] Ordinance appropriating $1,500,000, Department of Social Services, for capital improvement project (purchasing of building). RO #90063. (Controller)

l) File 84-90-2. [Acquisition of Property] Resolution authorizing the City and County to execute an assignment of purchase option agreement from the San Francisco Redevelopment Agency and authorizing acquisition of City and County Assessor's parcel block 3777, lot 47 (525 Fifth Street) and to adopt findings pursuant to City Planning Code Section 101.1. (Supervisor Walker)

m) File 270-90-21. [Mayor's Earthquake Emergency Relief Fund] Resolution approving expenditure of $750,000 for the temporary rehabilitation of two shelters to accommodate persons displaced by the October 17, 1989 earthquake. (Supervisor Hongisto)

(Continued from 9/19/90.)

ACTION: ITEMS 1b, 1f, 1g, 1h, 1l, 1j, 1k, 1l, 1m SEVERED. REMAINDER OF CONSENT CALENDAR RECOMMENDED.

ITEM 1b, File 47-90-11. RECOMMENDED.

ITEM 1f, File 172-90-26. CONTINUED TO 10/3/90.

ITEM 1g, FILE 101-88-148.1. HEARING HELD. CONTINUED TO 10/3/90.

ITEM 1h, File 101-89-33.2. HEARING HELD. RELEASE OF $176,643 RECOMMENDED. FILED.

ITEM 1i, File 64-90-16.1. HEARING HELD. RELEASE OF $22,500 RECOMMENDED. FILED.

ITEM 1j, File 153-90-4. AMENDMENT OF THE WHOLE ADOPTED AND FURTHER AMENDED TO PLACE $2,865,000 IN ESTIMATED FEMA FUNDING AND $3,244,925 IN RED CROSS FUNDS ON RESERVE. NEW TITLE: "[Accepting Red Cross and FEMA Funds for Homeless] ORDINANCE AUTHORIZING DEPARTMENT OF SOCIAL SERVICES TO ACCEPT AND EXPEND RED CROSS GRANT, FEMA FUNDING AND REMAINDER OF RED CROSS GRANT TO REDEVELOPMENT AGENCY TO PROVIDE SHELTER, FOOD AND OTHER ASSISTANCE FOR THE HOMELESS; PLACING $2,865,000 IN ESTIMATED FEMA FUNDING AND $3,244,925 IN RED CROSS FUNDS ON RESERVE." RECOMMENDED AS AMENDED.

ITEM 1k, File 101-90-16. AMENDMENT OF THE WHOLE BEARING SAME TITLE ADOPTED AND FURTHER AMENDED TO PLACE $455,996 ON RESERVE. NEW TITLE: "[Government Funding] ORDINANCE APPROPRIATING $1,500,000, DEPARTMENT OF SOCIAL SERVICES FOR CAPITAL IMPROVEMENT PROJECT (purchase of building); PLACING $455,996 ON RESERVE." RECOMMENDED AS AMENDED.

File 101-90-16.1. [Negative Declaration] RESOLUTION PREPARED IN AND REPORTED OUT OF COMMITTEE ENTITLED: "[Negative Declaration] RESOLUTION ADOPTING FINAL NEGATIVE DECLARATION, FINDING AND DETERMINING THAT THE CONVERSION OF AN EXISTING TWO STORY (OVER BASEMENT) WAREHOUSE AND RETAIL OUTLET TO AN EMERGENCY SHELTER (200 BEDS) FOR HOMELESS MEN AND THE ACQUISITION OF CITY AND COUNTY OF SAN FRANCISCO ASSESSOR'S PARCEL BLOCK 3777, LOT 47 FOR THE PROPERTY LOCATED AT 695 BRYANT STREET/525 FIFTH STREET, WILL HAVE NO SIGNIFICANT IMPACT ON THE ENVIRONMENT, AND ADOPTING AND INCORPORATING FINDINGS OF FINAL NEGATIVE DECLARATION." RECOMMENDED.

ITEM 1l, File 84-90-2. AMENDMENT OF THE WHOLE BEARING SAME TITLE ADOPTED. RECOMMENDED AS AMENDED.

ITEM 1m, File 270-90-21. AMENDMENT OF THE WHOLE ADOPTED AND FURTHER AMENDED TO PLACE $696,000 ON RESERVED. NEW TITLE: "[Mayor's Earthquake Emergency Relief Fund Expenditure] RESOLUTION APPROVING EXPENDITURE FROM THE MAYOR'S EARTHQUAKE EMERGENCY RELIEF FUND OF $800,000 FOR THE PURCHASE AND $1,000,000 FOR LONGER TERM REHABILITATION OF TWO SHELTERS TO ACCOMMODATE PERSONS DISPLACED BY THE OCTOBER 17, 1989 EARTHQUAKE; PLACING $696,000 ON RESERVE." RECOMMENDED AS AMENDED.

REGULAR CALENDAR

2. File 134-90-1. [Presidio Planning Grant - Department of the Interior] Resolution authorizing the Director of Planning to apply for, accept and expend funds from the Department of the Interior of up to $82,600 for a period of fifteen months for Presidio planning. (Department of City Planning)

(Continued from 9/19/90, with pending amendment to reduce total amount of grant to $80,668.)

ACTION: AMENDED TO REDUCE TOTAL AMOUNT OF GRANT TO $80,668. NEW TITLE: "[Presidio Planning Grant - Department of the Interior] RESOLUTION AUTHORIZING THE DIRECTOR OF PLANNING TO APPLY FOR, ACCEPT AND EXPEND FUNDS FROM THE DEPARTMENT OF THE INTERIOR OF UP TO $80,668 FOR A PERIOD OF FIFTEEN MONTHS FOR PRESIDIO PLANNING." RECOMMENDED AS AMENDED.

3. File 101-90-12. [Government Funding] Ordinance appropriating $1,740,500, Chief Administrative Officer, for purchase of land, for construction of the Embarcadero Roadway and Muni Metro Turnback. RO #90060. (Controller)

ACTION: AMENDMENT OF THE WHOLE ADOPTED. NEW TITLE: "[Government Funding] ORDINANCE APPROPRIATING $1,740,500, CHIEF ADMINISTRATIVE OFFICER, FOR PURCHASE OF LAND, FOR FISCAL YEAR 1990-91; ADOPTING AND INCORPORATING BY REFERENCE FINDINGS REGARDING THE I-280 TRANSFER CONCEPT PROGRAM." RECOMMENDED AS AMENDED.

4. File 101-90-5. [Government Funding] Ordinance appropriating $3,000,000, Department of Public Works, for capital improvement project (Richmond Transport Design). RO #90040 (Controller)

ACTION: AMENDED TO PLACE $620,000 ON RESERVE. NEW TITLE. "[Government Funding] ORDINANCE APPROPRIATING $3,000,000, DEPARTMENT OF PUBLIC WORKS, FOR CAPITAL IMPROVEMENT PROJECT (Richmond Transport Design); PLACING $620,000 ON RESERVE." RECOMMENDED AS AMENDED.

SPECIAL ORDER 3:00 P.M.

5. File 100-90-8. Hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health social services and criminal justice departments, as well as the poor and infirmed in our City. (Supervisors Walker, Britt, Hallinan, Alioto, Gonzalez and Ward)

(Continued from 9/19/90.

ACTION: HEARING HELD. CONTINUED TO RECESSED MEETING ON THURSDAY, SEPTEMBER 27, 1990 AT 3:15 P.M.

6. File 101-90-17. [Government Funding] DRAFT ordinance adjusting revenue and expenditure appropriations for various departments of the general fund, welfare assistance and administration fund, tobacco tax Fund, Rent Arbitration Board fund, work order fund, Municipal Railway operating fund, hospital operating fund and Laguna Honda operating fund, creating 15 positions, deleting 59 positions, reflecting budget adjustments for fiscal year 1990-91 resulting from State budget reductions. (Supervisor Walker presented on behalf of the Mayor)

ACTION: CONTINUED TO RECESSED MEETING ON THURSDAY, SEPTEMBER 27, 1990 AT 3:15 P.M.

7. File 102-90-4. [Public Employment] DRAFT ordinance amending Ordinance No. 288-90 (Annual Salary Ordinance) reflecting the deletion of fifty-nine positions and addition of fifteen positions at various departments. (Supervisor Walker presented on behalf of the Mayor)

ACTION: CONTINUED TO RECESSED MEETING ON THURSDAY, SEPTEMBER 27, 1990 AT 3:15 P.M.

8. File 127-90-5.1. [Business Registration Fee] Ordinance amending Part III, Municipal Code by amending Section 1007 to increase the registration fee from $75 to $150, to provide for uniform expiration date of registration certificates, for uniform application dates and for proration of fees, and clarifying the status of persons who paid or became liable for the calendar year 1990 registration fee required by Section 1007; operative date. (Supervisor Walker presented on behalf of the Mayor)

ACTION: CONTINUED TO RECESSED MEETING ON THURSDAY, SEPTEMBER 27, 1990 AT 3:15 P.M.

9. File 127-90-10. [Hotel Occupancy Tax] Ordinance amending Part III, Municipal Code, imposing a tax on the rent for every occupancy of a guest room in a hotel, by adding Section 502.7 which would increase the rate of the hotel occupancy tax from 11 percent to 13 percent, effective November 1, 1990. (Supervisor Hongisto)

ACTION: CONTINUED TO RECESSED MEETING ON THURSDAY, SEPTEMBER 27, 1990 AT 3:15 P.M.

Public Library, Documents Dept.
ATTN: Gerry Roth

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

## BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

September 26, 1990

DOCUMENTS
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**TO:** Finance Committee

**FROM:** Budget Analyst - recommendations

**SUBJECT:** September 26, 1990 Finance Committee Meeting

Item 1a - File 23-90-4

1. The proposed resolution would waive the Statute of Limitations pertaining to the payment of two City and County of San Francisco warrants. According to the Controller's Office, the Statute of Limitations for a San Francisco warrant is four years after the date of issuance.

2. If approved, this resolution would authorize the Controller to replace the following two warrants which were previously issued to Rita S. Papini, a San Francisco Community College District employee. The warrants had been misplaced and never cashed.

| Fiscal Year Issued | Warrant No. | Amount | Purpose |
|---|---|---|---|
| 1986-87 | 516-1535544 | $439.54 | Payment of Wages |
| 1986-87 | 516-1581549 | $265.31 | Payment of Wages |
| | Total | $704.85 | |

3. The warrants listed above were issued through the Controller's Payroll Division. The Controller's Office has verified that funds are available and that the original warrants have been returned by Ms. Papini and cancelled by the Controller.

**Recommendation**

Approve the proposed resolution.

Item 1b - File 47-90-11

**Department:** Parking Authority

**Item:** Resolution approving changes in parking rates at the Golden Gateway Garage.

**Description:** The Golden Gateway Parking Garage is a City-owned facility located in the Financial District at 250 Clay Street. The Golden Gateway Garage is operated by a private entity, the Golden Gateway Parking Company, under a five-year lease agreement which commenced with the City on August 1, 1986.

The Golden Gateway Garage has requested changes in the current parking rates. Due to the closing of the Embarcadero Freeway, the number of cars entering and leaving the Golden Gateway Garage on a given day, has decreased from 422,074 in fiscal year 1988-89 to 326,798 in fiscal year 1989-90, a reduction of 23 percent or 95,276 fewer cars. As a result, total revenues at the Garage have decreased, causing the City's rental income from the Garage to decrease from $2,463,302 in 1988-89 to $2,234,130 in 1989-90, a $229,172 reduction in revenue.

According to Mr. Kevin Hagerty of the Parking Authority, part of the revenue reduction is because some of the Golden Gateway Garage fees are not competitive with other parking garages in the area. Therefore, on September 4, 1990, the Parking and Traffic Commission passed a resolution recommending that the Board of Supervisors approve changes in the parking rates at the Golden Gateway Garage.

The proposed rate changes to the Golden Gateway Garage would reduce the rates for the first three hours of parking in order to attract a greater number of short term users and to remain competitive with other garages in the area. The fourth hour of parking would remain the same. However, the fifth through the seventh hours, as well as the monthly rates, would be increased in order to increase the monthly income to the Golden Gateway Garage and therefore increase rental income to the City. The following table outlines the existing and proposed changes in rates:

| Time | Existing Rate | Proposed New Rate |
|---|---|---|
| 1 Hour | $1.50 | $1.00 |
| 2 Hours | 3.00 | 2.00 |
| 3 Hours | 4.50 | 3.50 |
| 4 Hours | 6.50 | 6.50 |
| 5 Hours | 9.00 | 9.50 |
| 6 Hours | 11.50 | 12.50 |
| 7 Hours | 15.50 | 15.50 |
| Monthly | $230.00 | $250.00 |

**Comments:**

1. Mr. Hagerty reports that the 1989-90 average monthly gross income from the Golden Gateway Garage is approximately $227,628, or $2,731,536 annually. Mr. Hagerty, reports that the Parking Authority estimates that the proposed rate changes would result in an increase in the Golden Gateway Garage's 1990-91 monthly gross receipts of approximately $6,667. This would increase the Golden Gateway Garage's annual gross receipts by an estimated $80,000 annually from $2,731,536 to $2,811,536.

2. According to Mr. Hagerty, the Golden Gateway Garage's current monthly rental income to the City is 80.67 percent of the gross monthly income. However, Mr. Hagerty reports, that in 1988, an amendment to the original lease was approved by the Board of Supervisors granting the Golden Gateway Garage permission to increase parking rates. The amendment included the provision that upon the increase in parking rates, the City would receive the original rental income of 80.67 percent of the Golden Gateway Garages' monthly gross income, plus an additional 93.558 percent of any incremental income received by the increase in parking rates. Therefore under this provision, the City would be entitled to 93.558 percent of any incremental income received from the proposed changes in parking rates.

3. Based on the proposed rate changes, the City is entitled to 93.558 percent of the estimated $80,000 increase in the Golden Gate Garages' gross receipts. Therefore, the City's 1990-91 estimated rental income would increase by approximately $74,846 over the 1989-90 annual rental income of $2,234,130 for an estimated annual total in 1990-91 of $2,308,976.

4. Mr. Hagerty reports that the Golden Gateway Garage pays 20 percent of the parking revenue for the City's Parking Tax to the Tax Collector's Office. During fiscal year 1989-90, the City received $546,307 in Parking Taxes. In addition to the increased rental revenues estimated to be $74,846 annually, the proposed resolution would result in an estimated 1990-91 increase in Parking Tax of approximately $16,000 for an estimated 1990-91 total Parking Tax of $562,307.

5. Mr. Hagerty reports that should the proposed resolution be approved, the new rates would be implemented effective November 1, 1990. Accordingly, the increased revenues to the City for the remaining eight months of 1990-91 would be approximately $49,897 in rental income and $10,667 in parking tax.

**Recommendation:** Approval of the proposed resolution to approve changes in parking rates is a policy decision for the Board of Supervisors.

Item 1c - File 61-90-2

1. The proposed resolution would extend the period of time for the Public Utilities Commission (PUC) to award a contract for the Potrero Facility Rehabilitation (Contract No. MR-869). Section 6.1 of the Administrative Code stipulates that award of contracts over $50,000 must be made within 30 days after the receipt of bids unless the time for the award is extended by resolution of the Board of Supervisors. Section 6.1 also provides for an additional 30-day period in order to implement or improve a qualifying affirmative action nondiscrimination program as required by Section 12B of the Administrative Code. Since bids for Contract No. MR-869 were received on July 10, 1990, the total 60-day award period extended to September 8, 1990.

2. Bids received on Contract No. MR-869 are as follows:

| Bidder | Bid Amount | MBE/WBE Status |
|---|---|---|
| S.J. Amoroso Construction Co. | $10,367,602.00 | None |
| N.L. Barnes Construction Co. | 10,522,492.90 | None |
| Hensel Phelps Construction Co. | 10,646,000.00 | None |
| Dillingham Construction Co. | 11,101,742.00 | None |

According to Mr. Roland Hom of PUC, the additional time was required for the PUC staff to determine the lowest responsive bidder, due to review of bid protests received, and to implement PUC's Disadvantaged Business Enterprise goals.

Comments

1. Bid reviews revealed that the low bidder, S. J. Amoroso Construction Company, did not possess a required asbestos certificate at the time of its bid submission. According to two opinions written by the City Attorney's Office, non-possession of the asbestos certificate constitutes sufficient cause to render Amoroso's bid non-responsive.

2. Subsequent to the City Attorney's opinion concerning Amoroso, the PUC staff evaluated the remaining bids and recommended to the PUC that N.L. Barnes Construction Company be awarded the contract. The PUC approved awarding of the contract to N. L. Barnes at its meeting of September 11, 1990.

3. The PUC is requesting a three-day extension of its contract award from the date of September 8, 1990 to September 11, 1990, the day that the PUC approved award of the contract to N.L. Barnes Construction Company, Inc.

Recommendation

Approve the proposed resolution.

Memo to Finance Committee
September 26, 1990

Item 1d - File 82-90-9

**Departments:** Real Estate
Fire Department
Pubic Utilities Commission (PUC)

**Item:** Resolution to authorize the execution and acceptance of an agreement granting utility easements to the City by the San Francisco Redevelopment Agency and YBG Associates, and adopting findings that the acceptance of the easements is consistent with the eight priority policies of City Planning Code Section 101.1.

**Location:** A portion of sub-surface street area located in Mission Street at Fourth Street (see Attachment).

**Purpose:** In 1985, by Ordinance No. 40-85, the City vacated a portion of sub-surface street area in Mission Street referred to as the Pedestrian Tunnel Area. The area was transferred from the City to the Redevelopment Agency at no cost, due to the City's involvement in the development of Yerba Buena Center's hotel facilities. The Redevelopment Agency then leased the area to YBG Associates to be used as a pedestrian tunnel in developing the Yerba Buena Center's hotel facilities.

After the transfer of the Pedestrian Tunnel Area to the Redevelopment Agency, the City determined that certain portions of the City's utility systems pass through the upper portion of the Pedestrian Tunnel Area. The City determined that running parallel to Mission Street was (1) a 12-inch Auxiliary Water Supply System (AWSS) line (Fire Department), (2) a 12-inch Water line (PUC) and (3) an electrical conduit, which is designed to protect the electrical wires or cables to operate Muni (PUC).

During the original transfer of property by the City to the Redevelopment Agency, the easements of these three utility lines were not reserved. Therefore, the proposed resolution would authorize the City to accept these utility easements from the Redevelopment Agency and YBG Associates.

**Size of Easements:** A 5-foot 11-inch deep and 4-foot wide AWSS line
A 3-foot 6 -inch deep and 3-foot 4-inch wide Water line
A 2-foot 4-inch deep and 4-foot 4-inch wide Muni electrical conduit.

**Easement Rights Purchase Price:** No cost to the City. The proposed easement agreement states that the City will indemnify and hold harmless the Redevelopment Agency and YBG Associates against all claims or liability for any injury or damage to any person or property resulting from the operation, repair, maintenance or construction of the City's utility systems located within the easements.

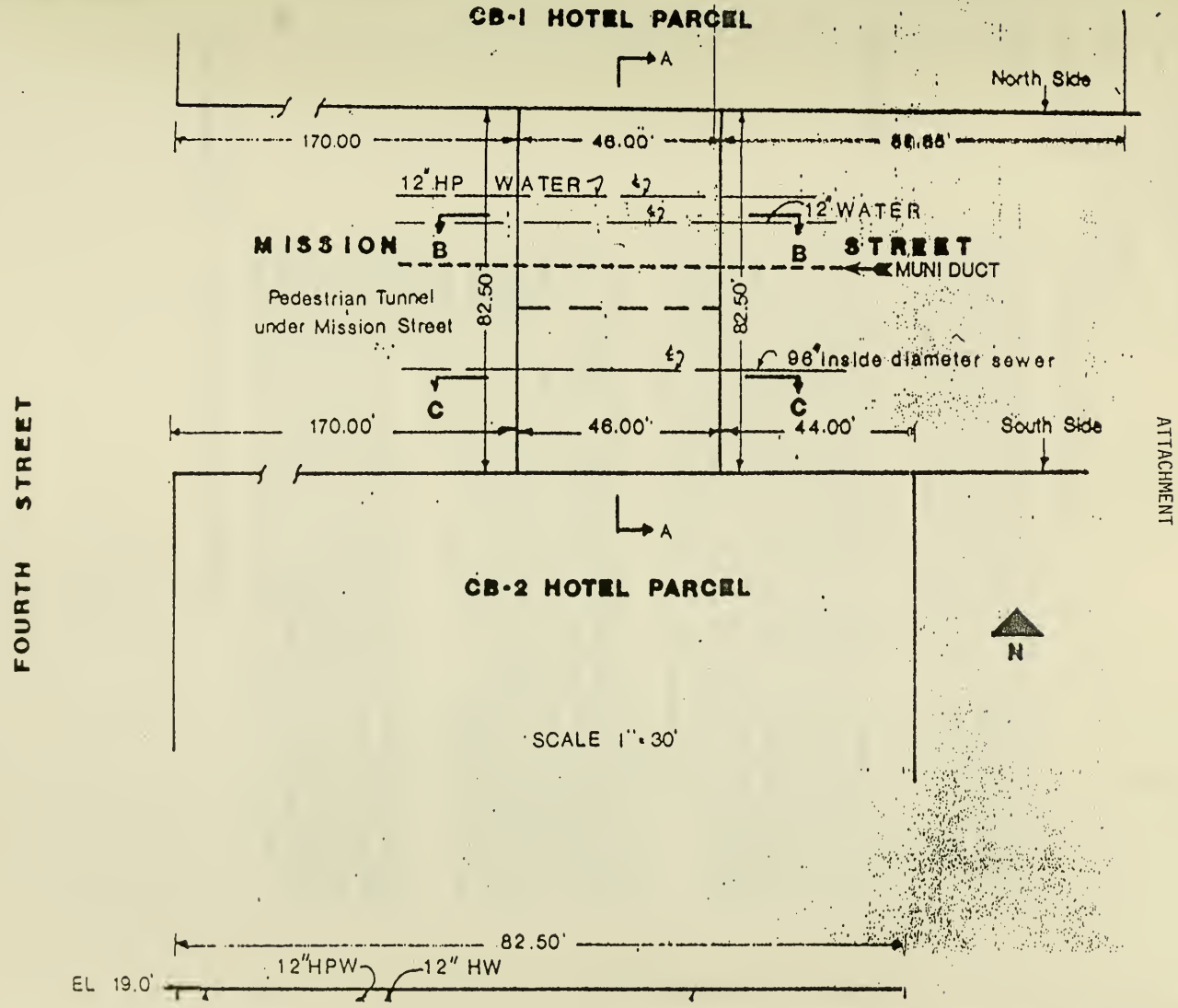
**Comments:**

1. The Department of City Planning reported on April 9, 1990, that the grant to the City of the easements for utility lines in Mission Street is in conformity with the City's Master Plan and consistent with the Eight Priority Policies of Planning Code Section 101.1.

2. Mr. John Painieri from the Real Estate Department reports that due to the cooperation of the Redevelopment Agency and YBG Associates, the City will not need to reroute the utility lines.

3. Mr. Painieri reports that the Real Estate Department recommends the proposed resolution and the Chief of the Fire Department and the PUC General Manager also support the proposed resolution.

**Recommendation:** Approve the proposed resolution.

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ATTACHMENT

Item 1e - Files 172-90-4.1

**Department:** Mayor's Office of Housing

**Item:** The proposed resolution would authorize, as a second designee, the Deputy Director of the Mayor's Office of Housing to execute amendments to the standard agreements and any related documents necessary to participate in the California Natural Disaster Assistance Programs.

**Description:** The City currently participates in the California Disaster Assistance Program (CALDAP), which is administered by the California Department of Housing and Community Development (CDHCD). The CALDAP was established to rehabilitate and reconstruct residential structures that were damaged or destroyed in the October 17, 1989 earthquake. Through CALDAP, the California Department of Housing and Community Development is authorized to make funds available for deferred payment loans for the purpose of financing housing rehabilitation and reconstruction.

The Board of Supervisors previously approved Resolution 170-90 on March 15, 1990, which designated the Director of the Mayor's Office of Housing to execute loan applications, standard agreements, and other documents necessary or required by the CDHCD for participation in the CALDAP. CDHCD now requests that the City designate a second City official as an alternate to execute the various applications, amendments and documents for the CALDAP when the Director is absent.

The proposed resolution would authorize the Deputy Director of the Mayor's Office of Housing to be the second designee for executing amendments to the standard agreement and other documents necessary or required by the California Department of Housing and Community Development for participation in California Disaster Assistance Program.

**Recommendation:** Approve the proposed resolution.

Item 1f - File 172-90-26

**Department:** Department of Public Health (DPH)
San Francisco General Hospital (SFGH)

**Item:** Resolution approving a contract between the City and County of San Francisco and Health Management Systems, Inc.

**Contract Amount:** City's cost would not exceed 12.5 percent of revenues collected with the total dollar amount not to exceed $1.5 million annually.

**Term of Contract:** The effective date of this agreement would be when the Controller has certified the availability of funds and the contractor has been notified in writing of the certification. Health Management Systems, Inc. would have four month's from the date of the notification to install the electronic claims system and 36 months from the time the system is installed to perform the professional services.

**Description:** The Department of Public Health is proposing to contract with Health Management Systems, Inc. for the provision of Comprehensive Account Management Services (CAMS), a computer-based system of services designed to reduce the costs and facilitate the process by which a hospital generates billings and receives payments from its third-party intermediaries. The DPH is proposing to install this computer-based system at San Francisco General Hospital.

Under the provisions of the contract, Health Management Systems Inc. would be responsible for the installation of the CAMS computer hardware, on-site training of SFGH staff and coordinating the CAMS interface with SFGH's Management Information Systems (MIS). Once CAMS has been implemented, Health Management Systems, Inc. would provide on-site support staff at SFGH, as necessary to answer questions, provide ongoing staff training and resolve problems.

The CAMS system would process the following types of claims:

(1) Inpatient and outpatient Medi-Cal claims.

(2) Inpatient and outpatient Medicare claims, including psychiatric claims.

(3) Inpatient and outpatient insurance claims to all carriers who accept electronic media claims.

(4) Outpatient Child Health Development (CHDP) claims.

(5) Medi-Cal outpatient Pharmacy claims.

(6) Automated Doctors First Report of Injury forms for California Workers Compensation accounts.

(7) Health Care Financing Administration (HCFA) 1500 Part B claims.

In addition to processing claims, the CAMS system would provide the following types of reports:

(1) Monthly Production Reports, indicating number of paid and denied claims by financial category.

(2) Reports on account age, by financial category and biller assignment.

(3) Daily log of claim prebilling edit failures by financial class (to facilitate on-line editing, to identify account errors and correct accounts before claims are created and submitted to intermediaries).

(4) Daily Rejection Reports detailing reason for claims rejection.

(5) Monthly Management Summaries (i.e., report of total accounts processed, claims billed and paid and, report of accounts receivable balances by financial class.

**Comments:**

1. SFGH currently utilizes a Blue Cross system known as Direct Data Entry (DDE) for submission of Medicare and Blue Cross private insurance. This system transmits claim data via telephone lines and requires a biller to enter all of the claims data on a computer. SFGH leases five IBM terminals from Blue Cross for this system at a cost of $11,400 per year. SFGH processes all inpatient Medi-Cal and all other commercial insurance claims manually.

2. SFGH reports that over the last ten years, claims processing entities for the hospital industry have moved significantly away from accepting manually prepared claims for payment. Ms. Sharon Kennison of SFGH advises that over 80 percent of all California hospitals now use some form of electronic claims submission processing and that SFGH is, most probably, the only hospital in the State with similar patient volumes, that still submits claims to the Medi-Cal program on paper. Ms. Kennison adds that the State is moving towards no longer accepting paper claims from hospitals with high patient volumes.

3. Ms. Kennison reports that the installation and ongoing management of the CAMS system would not require that any new staff be hired at SFGH. The contract provides that Health Management Systems Inc., would fund installation costs, in an amount that would not exceed an estimated $100,000 for wiring and site preparation. According to Ms. Kennison, the $100,000 estimate was based on a preliminary estimate which took into consideration projected costs for the necessary installation as well as costs for contingencies. Ms. Kennison advises that in the interim since the original estimate was made, the SFGH's Building Maintenance and Grounds Department, which will perform the necessary work, has provided an estimate of a minimum of $12,000 to a maximum of $33,000 to fund the installation. Therefore, according to Ms. Kennison, the estimated $100,000 would be more than sufficient to cover all actual costs for installation.

4. Health Management Systems, Inc. would provide and install 35 personal computers and related hardware and workstations. During the term of contract, Health Management Systems, Inc. would be responsible for the maintenance, repairs, replacement and insurance covering liability, damage and theft for this equipment. At the expiration of the contract all computer equipment would become the property of the City. At that time, the City would assume sole responsibility for maintaining and insuring the equipment. Ms. Kennison reports that the potential cost to the City for maintaining and insuring this equipment has not, as yet, been determined.

5. The following unaudited figures provided by Ms. Kennison outlines SFGH volume of claims associated with its third-party intermediaries and the volume of potential and actual collections from these third-party intermediaries for FY 1989-90:

| Claims Type | Estimated Annual Volume | Estimated Potential Collections | Estimated Denied or Rejected Claims | Estimated Actual Collections |
|---|---|---|---|---|
| Medi-Cal Outpatient | 48,000 | $5,961,944 | $655,000 | $ 5,306,944 |
| Medicare Outpatient | 24,000 | 3,180,985 | 65,000 | 3,115,985 |
| Medi-Cal Inpatient | 9,000 | 27,483,167 | 1,057,050 | 26,426,117 |
| Medicare Inpatient | 3,000 | 17,908,117 | None | 17,908,117 |
| Insurance Outpatient/ Inpatient | 16,200 | 12,694,074 | 75,000 | 12,619,074 |
| Total | 100,000 | $67,228,287 | $1,852,050 | $65,376,237 |

6. SFGH anticipates that the CAMS system would reduce all denied and rejected claims by 50 percent once the system is in place. Follow up and resubmission of denied or rejected claims should take no more than five days to resubmit. Ms. Kennison reports that generally claims are denied or rejected due to either erroneous information or missing information on the claim form. In addition, the State rejects certain Medi-Cal claims because the occular readers (viewing devices used to read the information on claim forms) have difficulty reading paper claims.

In addition, SFGH anticipates that the CAMS system would provide a faster overall turnaround in accounts receivables. Currently, Medi-Cal inpatient days in accounts receivable average 115 days from discharge. SFGH expects that the CAMS system would reduce Medi-Cal days in accounts receivable to 60 days from the date billed, a reduction of 55 days. Medicare inpatient days in accounts receivable currently average 88 days from the date billed. SFGH expects that the CAMS system would reduce Medicare days in accounts receivable to between 45 to 60 days from the date billed a reduction of between 28 and 43 days.

7. SFGH also anticipates that the CAMS system would result in lower error rates and fewer lost claims, less need for space to store thousands of copies of paper claims, savings in postage, courier services and paper costs and a reallocation of existing personnel to more efficient and productive revenue generating tasks. This would primarily involve switching staff from manual claims processing tasks to computer claims processing tasks. Ms. Kennison estimates, based on current expenditures, that savings on postage, courier services and paper would amount to approximately $50,000 annually. Ms. Kennison projects that an additional $3 million in claims revenues would be generated annually based on the existing personnel's increased efficiency in processing claims through the CAMS system. As of the

writing of this report, Ms. Kennison was unable to provide details on either the $50,000 in estimated cost savings for postage, courier services and paper costs, or the estimated $3 million in additional claims revenues which is projected to be generated based on the existing personnel's increased efficiency in processing claims through the CAMS system.

8. Under the provisions of the contract, Health Management Systems, Inc., would perform the proposed CAMS services on a contingency fee basis and would be compensated according to the following fee schedule:

OUTPATIENT CLAIMS

| Health Management Outpatient revenues generated After Commencement Date of CAMS | Systems, Inc. Fee as a Percentage of Gross Revenues |
|---|---|
| $0 - $1,000,000 | 0% |
| $1,000,001 - $3,000,000 | 5.0 |
| $3,000,001 - $5,000,000 | 7.5 |
| $5,000,001 - $7,000,000 | 10.0 |
| $7,000,001 - $10,000,000 | 11.0 |
| $10,000,001 - $20,000,000 | 12.5 |
| Over $20,000,000 | 8.5 |

INPATIENT CLAIMS*

| Month of Service From Commencement Date of CAMS | Health Management Systems, Inc. Fee as a Percentage of Gross Revenues |
|---|---|
| 1 - 18 months | 2% of inpatient revenues |
| 19 - 36 months | 1.5% of inpatient revenues |

* Health Management Systems, Inc. would forego its fee on the first $1,000,000 in inpatient collections.

9. Management Systems, Inc. would invoice for payment within fifteen days after the close of each calendar month. Payments would be made by the City to the contractor no more frequently than once each month. The proposed contract provides that under no circumstances would the amount of compensation for Health Management Systems, Inc., exceed $1.5 million annually.

10. As noted above, the SFGH estimates that the following amounts based on the current system, will be collected in Inpatient and Outpatient claims for FY 1989-90:

| | | |
|---|---|---|
| - Medi-Cal Outpatient | $ 5,306,944 | |
| - Medicare Outpatient | 3,115,985 | |
| Subtotal | | 8,422,929 |
| - Medi-Cal Inpatient | 26,426,117 | |
| - Medicare Inpatient | 17,908,117 | |
| Subtotal | | 44,334,234 |
| - Insurance Outpatient/Inpatient | | 12,619,074 |
| Total | | $65,376,237 |

11. Ms. Kennison advises that there is no guarantee that the utilization of the CAMS system will result in increased revenues. However, based on the study and research that has gone into the examination of this system, Ms. Kennison believes that the utilization of the CAMS system will result in increased revenues. Ms. Kennison reports that the contract provides that SFGH will review the effectiveness of the system on a monthly basis for the first year of the contract. Ms. Kennison advises that if claims collections, days in accounts receivable and denial/rejections do not improve significantly after the first contract year, that under the terms of the contract SFGH, would have the option to terminate the contract. Ms. Kennison adds that the terms of the contract, in fact, provide that SFGH could terminate the contract at any point during the term of the contract.

12. Since there is a level of uncertainty regarding (a) whether or not the utilization of the CAMS system will result in increased revenues, (b) what the future maintenance and insurance costs to the City will be and (c) what the actual reduced expenditures, such as postage will be, the Budget Analyst recommends that the Board of Supervisors require an evaluation of the CAMS system after the first six months of operation and that SFGH report the results of that evaluation to the Board of Supervisors.

13. Ms. Kennison reports that it is anticipated that the CAMS system would be on-line by January 1, 1991.

**Recommendations:** 1. The proposed resolution to approve a contract with the Health Management Systems, Inc. for a CAMS system which cannot exceed $1.5 million annually is a policy matter for the Board of Supervisors.

2. If the Board approves the proposed legislation, amend the proposed resolution to require an evaluation, including data on increased revenues, increased costs and any cost reductions, and report to the Board of Supervisors on the CAMS system after the first six months of operation. To continue this contract, the data should unqualifiedly demonstrate that the net actual additional dollar benefit to SFGH exceeds the potential annual fee of $1.5 million to be paid to the contractor.

Item 1g - File 101-88-148.1

**Departments:** Real Estate
Public Utilities Commission (PUC)
Hetch Hetchy

**Proposed Action:** Release of reserved funds previously appropriated for preliminary activities supporting the City's purchase of an eleven-story office building.

**Amount:** $38,383.33

**Source of Funds:** Hetch Hetchy surplus funds previously appropriated for the construction of Hetch Hetchy's Warnerville facilities, which are now completed.

**Description:** In June, 1989, the Board of Supervisors approved Ordinance No. 234-89 appropriating $100,000 for preliminary activities supporting the City's purchase of an eleven-story office building at 1155 Market Street. According to Mr. Gerald Romani of the Real Estate Department, the PUC's Bureaus, the Water Department and the Hetch Hetchy Project, the Health Service System and the Retirement System were scheduled to occupy the intended City-owned building. Most of these City Departments were currently located in the building as tenants. The anticipated cost of acquiring the 1155 Market Street building was $26,244,000. The $100,000 appropriation request was for the following purposes:

| | |
|---|---|
| Bond Counsel | $50,000 |
| Independent Appraisal | 15,000 |
| Building Assessment including mechanical, structural, electrical and life safety | 25,000 |
| Additional analyses that may be required, such as costs to move computers | 10,000 |
| Total Appropriation | $100,000 |

The $50,000 for bond counsel services was placed on reserve pending receipt of additional information from the PUC.

**Comments:**

1. According to Mr. Ed Harrington of the PUC, the City Attorney's Office hired O'Melveny and Myers as the bond counsel for the project. Their services were utilized from June 1989 through March 1990 when it was determined that acquisition of the 1155 Market Street property was not feasible because of a price impasse between the City and the property owner. The firm of O'Melveny and Myers has billed the City in the amount of $38,383.33 for its services.

2. Mr. Harrington states that the PUC believed that the firm of O'Melveny and Myers was engaged on a contingency basis and that the firm would receive compensation only if a sales agreement between the City and the property owner was concluded. The PUC's understanding is in accordance with Article V of the Agreement between O'Melveny and Myers and the City (Attachment 1). Article V states in part that "The compensation of the Bond Counsel is contingent upon issuance and sale of the Certificates* and upon the satisfaction of the City Attorney that services have been rendered as set forth in Appendix A of this Agreement" (see Attachment 2). However, Mr. Robert Kenealey of the City Attorney's Office states that O'Melveny and Myers was instructed to commence work on the project with the understanding that costs of up to $50,000, as referred to in Appendix A of the Agreement (Attachment 2), would be billable to the City.

3. Mr. Kenealey states that O'Melveny and Myers performed its work as assigned and that the City is obligated to compensate the firm. Mr. Kenealey further states that the Agreement clause making compensation contingent upon issuance of the Certificates should not not have been included in the Agreement.

4. Mr. Harrington states that the PUC has recommended approval of this request based upon Mr. Kenealey's opinion that the City engaged the services of O'Melveny and Myers and thereby incurred a financial obligation, irrespective of the compensation language shown in Article V of the Agreement.

*Certificates of Participation.

5. According to Mr. Harrington, the remaining $50,000 of the $100,000 total previously appropriated was work-ordered to the Department of Real Estate and has been expended as part of the preliminary acquisition activities.

6. The unexpended $11,616.67 ($50,000 less $38,383.33) of the $50,000 previously appropriated and reserved for bond counsel services should be returned to Hetch Hetchy unappropriated revenues.

**Recommendations**:

1. Approval of this request to release $38,383.33 is a policy matter for the Board of Supervisors.

2. Direct a letter to the Controller releasing the balance of $11,616.67 for return to the Unappropriated Revenues of Hetch Hetchy.

## Article III

## Term

Subject to Article VIII below, the term of this Agreement shall be from the date first above-written to December 31, 1994, or such earlier date as the Certificates have been sold and Bond Counsel has performed all its duties hereunder.

## Article IV

## Effective Date

This Agreement shall be deemed effective as of the date first above-written when City's Controller certifies the availability of funds for the current Fiscal Year for the payment of Bond Counsel's compensation hereunder and Bond Counsel has been notified in writing.

## Article V

## Compensation

The compensation of the Bond Counsel is contingent upon issuance and sale of the Certificates and upon the satisfaction of the City Attorney that services have been rendered as set forth in Article I of this Agreement. In no event shall compensation pursuant to this contract exceed those amounts set forth in Appendix A. The breakdown of costs associated with this contract are provided for in Appendix A attached hereto and incorporated by reference as though fully set forth herein.

In the event Bond Counsel are required or requested to perform any additional or extraordinary services not herein contemplated, Bond Counsel shall be entitled to apply to the City for additional compensation for such additional services

performed, the amount of which shall be subject to the approval of the City, and no such additional compensation in excess of the amount herein specifically provided for shall be paid unless specifically authorized by the City, in its own discretion.

## Article VI

## Method of Payment

Invoices furnished by Bond Counsel under this Agreement must be in a form acceptable to the City Attorney and City's Controller. All amounts paid by City to Bond Counsel shall be subject to audit by City.

A. All charges incurred under this Agreement shall be due and payable only after services have been rendered, or expenses incurred and invoices submitted for the same.

B. Bond Counsel shall, when requested, submit statements identifying work performed and the corresponding amount of time spent by each individual with their hourly billing rates.

## Article VII

## Certification of Funds, Non-Appropriation

A. This Agreement is subject to the budget and fiscal provisions of the charter of City.

B. Charges will accrue only after prior written authorization certified by City's Controller. Any amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

APPENDIX A

# COMPENSATON

The City agrees to compensate Bond Counsel under the Agreement in the amount and manner set forth below:

A. For the services to be performed by Bond Counsel, including the filing of the validity lawsuit pursuant to Section 860, et seq. of the Code of Civil Procedure, Bond Counsel will be paid a maximum of Fifty Thousand Dollars ($50,000). This will be based upon a billing time for partners of Two Hundred Sixty Dollars ($260) per hour; special counsel, Two Hundred Ten Dollars ($210) per hour; senior associates, One Hundred Seventy-five Dollars ($175) per hour; junior associates, One Hundred Ten Dollars ($110) per hour; and paralegals, Ninety Dollars ($90) per hour.

B. In addition to the charges for professional services set forth in Paragraph A above, City shall reimburse Bond Counsel for actual out-of-pocket expenses incurred in the course of rendering such services, including costs of long-distance telephone calls, document binding, courier service and FAX charges, computerized legal research, any costs of printing and word-processing, costs of reproduction of documents, secretarial overtime, and any necessary travel expenses. The amount of out-of-pocket expenses under this Agreement shall not exceed Five Thousand Dollars ($5,000) per sale of Bonds. City's obligation to reimburse Bond Counsel for its out-of-City's obligation to to reimburse Bond Counsel for its out-of-pocket expenses is contingent upon the sale and delivery of the Bonds. Out-of-pocket expenses incurred trips to the rating agencies in New York City will be reimbursed and will not be included towards the above expense limitation.

Item 1h - File 101-89-33.2

**Department:** Sheriff

**Item:** Release of Reserved Funds

**Amount:** $255,543

**Source of Funds:** Reserve for Public Safety established as part of the City's 1989-90 Annual Budget process.

**Description:** In the 1989-90 budget, a $3.6 million Public Safety Reserve was established to fund local match requirements, including $2.3 million to match State Jail Construction Bond Funds. In October, 1989, the Board of Supervisors approved a supplemental appropriation (File 101-89-33) of $2,179,000 of the Public Safety Reserve Fund to partially match the City's State Jail Construction Bond Fund allocation from the State.

These latter funds are authorized by State Proposition 52. Of the $2,179,000 in local matching funds which were appropriated, $410,149 was placed on reserve pending the submission of details regarding the proposed use of those funds. The balance of $1,768,851 was encumbered for Proposition 52 pre-construction costs, contractual services for pre-design planning, site testing, environmental services and architectural design services, and City Planning Department, Real Estate Department and Department of Public Works (DPW) Bureau of Architecture and Bureau of Engineering services for the Proposition 52 projects described below. As of the writing of this report, current budget details on the $1,768,851 were not available from the Sheriff's Department.

Proposition 52 funds may only be used for construction costs. All architectural and engineering fees, environmental review costs, construction management and other non-construction costs associated with the Proposition 52 construction are to be funded by the City.

In June of 1990, the Finance Committee approved a release of $154,606 of the $410,149 which had been placed on reserve. Of the $154,606 which was released, $129,560 was to fund contractual services with Vanir CM, a construction management consulting firm and $25,046 was to fund City Attorney Services. The remaining $255,543 balance of the $410,149 continued to be reserved pending additional information from the Real Estate Department and the Sheriff's Department on the proposed use of the funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Sheriff's Department is now requesting that the total $255,543 be released for the Real Estate Department and the DPW's Bureau of Engineering as follows:

| | | |
|---|---|---|
| Real Estate Department | | |
| CalTrans Parking Lot E(22) | | |
| Rental from 12/1/90-6/30/91 @ $1,750/mo. | $12,250 | |
| Construction Upgrade | 26,000 | |
| Subtotal | | $38,250 |
| CalTrans Parking Lot F(23) | | |
| Rental from 12/1/90-6/30/91 @ $1,000/mo. | $7,000 | |
| Construction Upgrade | 46,000 | |
| Subtotal | | 53,000 |
| Private Parking Lot | | |
| Rental from 12/1/90-6/30/91 @ $3,700/mo. | | 25,900 |
| CalTrans Parking Lot C(21) - | | |
| Balance of funds required for rental and construction upgrade of parking lot to be used by the Police Department (see item 1i, File 64-90-16.1) | | 10,161 |
| Real Estate Department | | |
| Service Fee | | 6,000 |
| Department of Public Works - | | |
| Bureau of Engineering | | |
| Planning | $24,000 | |
| Design | 54,000 | |
| Construction Management | 44,232 | $122,232 |
| Total | | $255,543 |

The total amount allocated to the City for Proposition 52 funds is $22,580,000. These funds will be used to support the following projects: (1) a Work Furlough Program and Long Term Medical-Psychiatric Facility (2) improvement to fire, health and life safety systems at the Hall of Justice; (3) a long-term medical/psychiatric plan for prisoners at the Hall of Justice; (4) a new services building at the San Bruno Jail Complex and (5) life and safety capital projects at the San Bruno Jail complex. The Sheriff's Department plans to complete the preconstruction phase for the Work Furlough Program and Long Term Medical-Psychiatric Facility and improvements to the fire, health and safety systems at the Hall of Justice by December, 1990 and begin construction on these two projects in March of 1991. The State requires that the construction contracts be signed by March 31, 1991.

Lieutenant Michael LaVigne, of the Sheriff's Department, reports that budget details for these projects are currently undergoing revision. Therefore, as of the writing of this report, budget estimates for the individual projects are unavailable.

In order to receive the $22,580,000 State allocation, the City is required to provide a local match by March 31, 1991, of 25 percent or approximately $7,500,000 of the total projected project costs of approximately $30,000,000. The Sheriff's Department reports that the balance of the match of approximately $5,321,000 ($7,500,000 minus $2,179,000 previously appropriated by the Board of Supervisors) will be funded through the Proposition A, Correctional Facilities Improvement Bond Measure (1990), totalling 16.5 million, which has been placed on the November, 1990 ballot.

Comments:

1. According to Ms. Claudine Venegas, the Real Estate Department will be bidding on CalTrans Lot F(23) on a competitive basis during the first week of October, 1990. In addition, Ms. Venegas reports that the Department has not finalized negotiations with the owner of the private parking lot. Therefore, there is no guarantee at this time that these two leases will be acquired at the rental amounts noted above. Since these leases have not as yet been fully negotiated and actual rental amounts are not known, funding in the amount of $53,000 for the CalTrans Parking Lot F(23) and $25,900 for the private parking lot, for a combined total of $78,900 should continue to be reserved.

2. Ms. Venegas reports that the Real Estate Department successfully bid for the CalTrans parking lot E(22) at the public auction held by the State on July 3, 1990. Ms. Venegas advises that the Real Estate Department will submit separate legislation to the Board of Supervisors for approval of the new lease agreement for this CalTrans parking lot.

3. The total amount required to fund the rental and construction upgrade of the CalTrans parking lot C(21) to be used by the Police Department is $38,635. The Police Department's 1990-91 budget includes $28,474 for the rental and construction upgrade costs which is $10,161 less than the amount needed. The Sheriff's Department is proposing to fund the $10,161 from the reserved funds which are the subject of this report because the construction upgrade work, which has increased the cost of the rental, is required in order for the parking lot to be used as temporary replacement parking for Police vehicles. The Police vehicles are currently housed at the Hall of Justice. Those Police vehicles will be displaced due to the planned construction of the Sheriff

Department's Work Furlough Program and Long Term Medical-Psychiatric Facility.

**Recommendation:** Based on Comment 1 above, release a total of $176,643 consisting of rental and construction upgrade of the CalTrans parking lots E(22) ($38,250), C(21) ($10,161), the Real Estate Department service fee ($6,000) and the costs for the Bureau of Engineering ($122,232). Continue to reserve a total of $78,900 for CalTrans parking lot F(23) ($53,000) and the private parking lot ($25,900).

Item 1i - File 64-90-16.1

**Departments:** Real Estate Department
Police Department

**Item:** Release of Reserve

**Amount:** $22,500

**Source of Funds:** General Fund

**Description:** On July 2, 1990, the Board of Supervisors approved authorization for the Police Department to execute a renewal lease with the State Department of Transportation (CalTrans) as lessor, for approximately 23,771 square feet of land located on the north side of Ahern Way between Harriet and Sixth Streets (File 64-90-16). The leased property, which is currently used as a parking lot for 30 unmarked Police vehicles, was renewed on a month-to-month basis, for the period July 1, 1990 through August 31, 1990, at a rental rate of $1,737 per month. Since the rental rate was subject to change as of September 1, 1990, the Board of Supervisors placed $22,500 on reserve pending final determination of a rental rate for the property.

The Police Department has leased the CalTrans parking lot since 1973. The Real Estate Department reported that an interim month-to-month lease, for a two-month period, was negotiated for this property, because CalTrans policy would not permit a direct lease renewal after the prior 10-year lease expired on June 30, 1990. Instead, CalTrans policy required that the Real Estate Department submit a bid at a public auction to be held by the State to continue the lease for a two-year period.

Ms. Claudine Venegas of the Real Estate Department reports that the Real Estate Department was the successful bidder for the parking lot property at the auction held on July 3, 1990. The Department's bid on the property resulted in a new monthly rental rate for the property of $850 per month for a two-year term commencing December 1, 1990. Between September 1, 1990 and November 30, 1990, the City will continue to pay the existing rental rate of $1,737 per month. In addition to the $850 rent per month, the terms of the new lease call for the City to fund construction and upgrade work on the parking lot at a cost estimated by CalTrans to be $24,000. Therefore, based on the amortization of the required construction upgrade work, the City's costs over the two-year term of the lease would be $1,850 per month. The Real Estate

Department is now requesting that the entire $22,500 be released from reserve.

**Comments:**

1. The Real Estate Department originally estimated that the bid rate would not exceed $2,500 per month. Based on the Real Estate Department's estimate of the bid rate, the Police Department's FY 1990-91 budget includes $28,474 for the rental of the parking lot, which was based on $3,474 for two months at the rate of $1,737 (see 1st paragraph of description) per month for the two-month period of July 1, 1990 through August 31, 1990 and $25,000 for the remaining ten-month period of September 1, 1990 through June 30, 1991 at the estimated bid rate of $2,500 per month.

2. The Real Estate Department reports that the construction upgrade work, which would provide more space and security, is required on the parking lot in order for it to be used as temporary replacement parking for 56 marked Police vehicles currently housed at the Hall of Justice. These vehicles will be displaced due to the planned construction of the Sheriff Department's Work Furlough Program and Long Term Medical-Psychiatric Facility adjacent to the Hall of Justice. Construction of that facility is to be funded through State Proposition 52 funds.

3. The total funding required for the City's cost to lease the CalTrans parking lot is as follows:

| | |
|---|---|
| Rental from 7/1/90-11/30/90 @ $1,737/mo. | $8,685 |
| Rental from 12/1/90-6/30/91 @ $850/mo. | 5,950 |
| Construction Upgrade | 24,000 |
| Total | $38,635 |

As noted above, the Police Department's 1990-91 budget includes $28,474 for the rental of the parking lot (of which $22,500, the subject of this request, is on reserve). The $28,474 budgeted amount is $10,161 less than the $38,635 needed to fund the City's cost to lease the parking lot. The $10,161 would be funded from the $255,543 Public Safety Reserve Funds which have been placed on reserve for the Sheriff's Department (See Item 1h - File 101-89-33.2 of this report.) The Sheriff's Department is proposing to fund the $10,161 from the Public Safety Reserve Funds because, as noted above, the construction upgrade work, which has increased the cost of the rental, is required in order for the parking lot to be used as temporary replacement parking for Police vehicles currently housed at the Hall of Justice that will be displaced in connection with the Sheriff Department's planned construction of their new facility at the Hall of Justice.

4. Ms. Venegas reports that the Real Estate Department will submit separate legislation to the Board of Supervisors for approval of the new lease agreement for the CalTrans parking lot.

**Recommendation:** Approve the release of the reserve funds in the amount of $22,500.

Item 1j, k, l, and m - Files 153-90-4, 101-90-16, 84-90-2, and 270-90-21

**Department:** Department of Social Services (DSS)

**Item:** Item 1j (File 153-90-4) is a proposed resolution authorizing the Department of Social Services (DSS) to accept and expend a Red Cross grant that includes the remainder of a previous Red Cross grant to the Redevelopment Agency, and Federal Emergency Management Agency (FEMA) funding to provide shelter, food and other assistance for homeless persons.

Item 1k (File 101-90-16) is a proposed Supplemental Appropriation Ordinance for the purchase of a building for the DSS Homeless Program's Multiservice Centers.

Item 1l (File 84-90-2) is a proposed resolution authorizing the City and County to execute an assignment of a purchase option agreement from the San Francisco Redevelopment Agency to the Department of Real Estate for the purposes of acquiring property at 525 - 5th Street, Assessor's Block 3777, Lot 47, and to adopt findings pursuant to City Planning Code Section 101.1.

Item 1m (File 270-90-21) is a proposed resolution approving expenditure of $1,800,000 from the Mayor's Earthquake Emergency Relief Fund for the purchase and rehabilitation of two shelters for homeless persons (Substitute resolution).

**Amount:**

| | |
|---|---|
| $4,932,075 | (Red Cross Grant; Item 1j, File 153-90-4) |
| 1,500,000 | (Homeless Capital Reserve; Item 1k, File, 101-90-16) |
| 1,800,000 | (Mayor's Earthquake Emergency Relief Fund; Item 1m, File 270-90-21) |
| $8,232,075 | Total funding |

In addition to the $8,232,075, an unknown amount of FEMA funds are to be reimbursed to the City.

**Source of Funds:** Red Cross grant funds (Item 1j, File 153-90-4)
FEMA (Item 1j, File 153-90-4)
Homeless Capital Reserve (Item 1k, File 101-90-16)
Mayor's Emergency Earthquake Relief Fund (Item 1m, File 270-90-21)

**Description:**

As part of the City's homeless program, DSS has established shelter facilities known as Multiservice Centers to serve the various needs of homeless persons. Currently, DSS operates, through contracts with non-profit agencies, two Multiservice Centers located at 1001 Polk Street and 525 - 5th Street. The Multiservice Centers provide shelter, 24 hour per day drop-in services, and case management services to homeless single adult men and women.

The four proposed legislative items that are the subject of this report would authorize DSS to carry out various aspects of the Multiservice Centers including purchase of the buildings, receiving grant funds, and expending funds to rehabilitate the buildings in which the Multiservice Centers are housed.

Item 1j (File 153-90-4) is a proposed ordinance that would authorize DSS to accept funds intended for the Homeless Program consisting of a $4,932,075 Red Cross grant that includes surplus funds of $196,000 in Red Cross monies previously received by the Redevelopment Agency, and all FEMA grants for which the Department is reimbursed.

Item 1k (File 101-90-16) is a Supplemental Appropriation request to allocate funds from the Homeless Capital Reserve Fund for the purchase of the two buildings located at 1001 Polk and 525 - 5th Streets. In Fiscal Year 1989-90, the City budgeted $1,500,000 in a Homeless Capital Reserve Fund for purchase and rehabilitation of buildings for use as Multiservice Centers to provide shelter and support services to the City's homeless population. The City carried forward the $1,500,000 for use in 1990-91.

Items 1j and 1k (Files 153-90-4 and 101-90-16) would allocate the Homeless Capital Reserve funds, Red Cross grant funds and FEMA funds for the purchase, and rehabilitation of the two buildings located at 1001 Polk and 525 - 5th Streets now used as Multiservice Centers for the City's homeless population.

Item 1m (File 270-90-21) is a substitute resolution, which, as of the writing of this report, has not been received by the Budget Analyst. This item was continued at the Finance Committee's meeting of September 19, 1990. The prior resolution requested approval of an expenditure of $750,000 from the Mayor's Earthquake Emergency Relief Fund. Based on discussions with DSS, the new substitute resolution would approve an expenditure of $1,800,000 from the Mayor's Earthquake Emergency Relief Fund on the purchase and rehabilitation of the two buildings at 1001 Polk Street and 525 - 5th Street now used as Multiservice Centers. Of the $1,800,000, $800,000 of these funds would be used to supplement the Red Cross grant funds, Homeless Capital Reserve Fund monies, and FEMA funds in purchasing the two buildings. DSS intends to use the other $1,000,000 as start-up funds to begin rehabilitation work while the City and FEMA negotiate the amount which FEMA will reimburse to the City, and to pay for those rehabilitation costs that FEMA eventually declares ineligible for reimbursement.

DSS would use the Red Cross and FEMA funds received along with the $1,500,000 in Homeless Capital Reserves to purchase and rehabilitate the buildings now used as Multiservice Centers. Presently these two buildings are being leased through the Redevelopment Agency by DSS. The proposed funds for the purchase, rehabilitation and operation of the two buildings are budgeted as follows:

| | |
|---|---|
| 1001 Polk Street Lease Payments and Purchase | $3,651,996 |
| 525 - 5th Street Lease Payments and Purchase | 2,379,000 |
| Tenant Relocation at 525 - 5th Street | 167,000 |
| Building Rehabilitation for both buildings | 6,300,000 |
| Operating costs for the period 7/1/90 - 6/30/91 | 719,000 |
| Food (Includes costs for proposed Family Shelter facility to be purchased or leased by DSS. See description below and Comment No. 2) | 734,079 |
| Total | $13,951,075* |

*The total of $13,951,075 includes $8,232,075 in Red Cross funds, Homeless Capital Reserve funds, and Mayor's Earthquake Emergency Relief Fund monies, with the balance of $5,719,000 anticipated from FEMA reimbursements.

A summary of the total estimated expenditures and the corresponding funding sources is presented in the Attachment.

Building purchase costs for the two buildings include final lease costs applied to the purchase, and all purchase closing costs. The purchase costs totalling $3,651,996 for the 1001 Polk Street site and $2,379,000 for the 525 - 5th Street site and the corresponding funding sources are summarized as follows:

| | 1001 Polk Street | 525 - 5th Street | Total |
|---|---|---|---|
| Red Cross | $2,750,000 | $1,147,996 | $3,897,996 |
| Mayor's Earthquake Fund | 446,000 | 354,000 | 800,000 |
| Homeless Capital Reserve | 455,996 | 877,004 | 1,333,000 |
| Total funding | $3,651,996 | $2,379,000 | $6,030,996 |

DSS has budgeted $167,000 for tenant relocation costs at the 525-5th Street site. Presently, the Multiservice Center shares the building with a clothing retail outlet business. In order to expedite the rehabilitation of the building and to enlarge the Multiservice Center service area, DSS must acquire all of the floor space in the building and therefore is compensating the retail outlet business for relocating the business elsewhere.

Both buildings will undergo extensive rehabilitation including seismic upgrading as well as other repairs of damages sustained in the October, 1989 earthquake. Estimated rehabilitation costs for the two buildings are summarized as follows:

| | 1001 Polk Street | 525 - 5th Street | Total |
|---|---|---|---|
| FEMA | $2,550,000 | $2,450,000 | $5,000,000 |
| Red Cross | 150,000 | 150,000 | 300,000 |
| Mayor's Earthquake Emergency Relief Fund | 250,000 | 750,000 | 1,000,000 |
| Total Rehabilitation Costs | $2,950,000 | $3,350,000 | $6,300,000 |

Funding for operating costs from grant funds previously received would cover projected costs for Fiscal Year 1990-91. Operating costs consist of building maintenance, utilities, and shelter monitor staff under the supervision of the non-profit organizations contracted by DSS to operate the Multiservice Centers. Currently, the Episcopal Community Services operates the 1001 Polk Street Multiservice Center and St. Vincent de Paul operates the Multiservice Center located at 525 - 5th Street. According to DSS, FEMA is expected to pay for $719,000 for the operating cost of the buildings, including $315,000 for the 1001 Polk Street site and $404,000 for the 525 - 5th Street site. DSS could then use the previously received grant funds to reduce the costs to operate the Multiservice Centers in Fiscal Year 1991-92, or to pay for rehabilitation costs not eligible for reimbursement by FEMA (See Comment No. 5 below).

The Red Cross has agreed to contribute $734,079 to pay for the supply and preparation of food off-site while the kitchens in each building are rehabilitated. Of the $734,079 contributed for food, $344,925 has been allocated to the 1001 Polk Street site, $295,354 has been allocated to the 525 - 5th Street site, and $93,800 has been allocated for use at a Family Shelter that DSS is planning to open in December of 1990 (See Comment No. 2).

Item 11 (File 84-90-2) is the proposed resolution authorizing the City to acquire the property at 525 - 5th Street. Presently the SFRA leases the property for DSS and holds the purchase option agreement with the property owners. Under the proposed resolution, SFRA would assign the purchase option agreement to the City, and the City would proceed with the purchase of the property from the current owners.

The Department of Real Estate has negotiated a purchase price of $2,379,000, which includes $50,000 for lease payments applied to the purchase, for the 525 - 5th Street site which the Director of Real Estate states is the fair market value. The City Planning Commission, at its meeting of August 30, 1990, determined that the proposed acquisition of the 525 - 5th Street property is in conformance with the Master Plan and is consistent with the eight priority policies of City Planning Code Section 101.1.

**Comments:**

1. According to Mr. Tony DeLucchi of the Department of Real Estate, the purchase of the 1001 Polk Street site has yet to be completed, pending the negotiation of the final purchase price and the City Planning Commission's approval pursuant to City Planning Code Section 101.1. Real Estate and DSS advise that a separate resolution authorizing the acquisition of the 1001 Polk Street site will be submitted to the Board of Supervisors. Therefore, funds in the amount of $3,651,996 (consisting of $2,750,000 in Red Cross funds, $446,000 in Mayor's Earthquake Emergency Relief Fund monies, and $455,996 in Homeless Capital Reserve Fund monies) for purchase of 1001 Polk Street should be reserved pending the submittal of appropriate legislation to the Board of Supervisors.

2. DSS has received $93,800 from the Red Cross to pay for food at its planned shelter for homeless families. In contrast to the two Multiservice Centers, which serve single adult men and women, the family shelter will serve homeless families. According to Ms. Carla Javits of DSS, the Department has allocated $450,000 in its 1990-91 budget for the family shelter and expects to begin operating the family shelter in December of 1990. The shelter would serve 40 persons. DSS has not yet found a location for the proposed Family Shelter and has not yet determined the estimated lease or purchase costs of this facility.

3. Item 1j (File 153-90-4), the proposed ordinance to allow DSS to accept and expend $4,932,075 in Red Cross funds and an undetermined amount of FEMA funds, would authorize DSS to accept any amount of FEMA funds without further approval of the Board of Supervisors. Normally, the Board of Supervisors must authorize by resolution acceptance and expenditure of all grant funds received. However, DSS has not received any FEMA funds since FEMA only disburses monies for reimbursement of actual costs. DSS is requesting blanket authority to receive and expend any and all FEMA grant funds for the purchase, rehabilitation and operation of the two buildings as Multiservice Centers for the City's homeless population. Ms. Javits states that DSS would only use the FEMA grant funds for the purchase and rehabilitation of the 1001 Polk and 525 - 5th Street buildings in the manner presented in the Attachment to this report. Notwithstanding DSS's specific proposed uses for the grant funds, the proposed ordinance is a new request for blanket spending authority by a City department. The Budget Analyst recommends disapproval of this request to authorize DSS to receive and expend future unknown amounts of FEMA funds for the purposes of purchasing, rehabilitating, and operating the Multiservice Centers. Such future funds should be subject to approval of the Board of Supervisors.

4. According to the Controller's Office, as of August 31, 1990, the balance in the Mayor's Earthquake Emergency Relief Fund is $3,496,161. Approval of item 1m (File 270-90-21) would commit $1,800,000 of these funds for use in purchasing and rehabilitating the Multiservice Centers.

5. With regard to operating costs of the Multiservice Centers expected to be received from FEMA, DSS had previously received grant funds from the State Department of Housing and Community Development's Natural Disaster Emergency Shelter Program in the amount of $1,264,243 to support the Multiservice Centers, including funding for operating costs. Ms. Javits advises that if FEMA agrees to reimburse the City for the operating costs of the Multiservice Centers, DSS could either redirect the use of the State monies to fund the operating costs of the Multiservice Centers in Fiscal Year 1991-92, or to pay for rehabilitation costs not reimbursed by FEMA. However, DSS would be required to obtain approval from the State, as well as the Board of Supervisors to redirect these State grant funds allocated to operations.

**Recommendations:** 1. Amend items 1j, 1k, and 1m (Files 153-90-4, 101-90-16, and 270-90-21) to reserve $3,651,996 (consisting of $2,750,000 in Red Cross funds, $446,000 in Mayor's Earthquake Emergency Relief Fund monies, and $455,996 in Homeless Capital Reserve Fund monies) for purchase of 1001 Polk Street pending the submittal of future legislation authorizing the specific purchase price of this facility.

2. Sever that part of Item 1j (File 153-90-4) relating to the acceptance and expenditure of $4,932,075 in Red Cross funds for purchase and rehabilitation of the buildings at 1001 Polk and 525 - 5th Streets. Amend the severed portion of Item 1j (File 153-90-4) to reserve $2,750,000 in Red Cross funds for the purchase of the property at 1001 Polk Street, as noted in Comment No. 1, above. Approve the severed portion as amended.

3. Disapprove the remaining portion of Item 1j (File 153-90-4) relating to the blanket acceptance and expenditure of future undetermined amounts of FEMA funding without further authorization of the Board of Supervisors. All such future funds should be subject to review and approval of the Board of Supervisors.

4. Amend Item 1k (File 101-90-16) to reserve $455,996 for the purchase of the property at 1001 Polk Street, as noted in Comment No. 1, above, and approve the Supplemental Appropriation Ordinance as amended.

5. Approve the proposed resolution (Item 1l, File 84-90-2) authorizing the assignment of the purchase option agreement by the San Francisco Redevelopment Agency to the City and the acquisition of the property at 525 - 5th Street.

6. Amend the proposed resolution (Item 1m, File 270-90-21) to reserve $446,000 for the purchase of the property at 1001 Polk Street, as noted in Comment No. 1, above. Approve the proposed resolution as amended.

**Source of Funds**

| *Expenditure Item* | *FEMA** | *Red Cross* | *Mayor's Earthquake Emergency Relief Fund* | *Homeless Capital Reserve* | *TOTAL* |
|---|---|---|---|---|---|
| 1001 Polk Street | | | | | |
| Purchase | | $2,650,000 | $446,000 | $455,996 | $3,551,996 |
| Lease applied to Purchase | | 100,000 | | | 100,000 |
| Building Rehabilitation | $2,550,000 | 150,000 | 250,000 | | 2,950,000 |
| Building operating costs | 315,000 | | | | 315,000 |
| Food | | 344,925 | | | 344,925 |
| Subtotal | $2,865,000 | $3,244,925 | $696,000 | $455,996 | $7,261,921 |
| 525 - 5th Street: | | | | | |
| Purchase | | $1,097,996 | $354,000 | $877,004 | $2,329,000 |
| Lease applied to Purchase | | 50,000 | | | 50,000 |
| Tenant Relocation | | | | 167,000 | 167,000 |
| Building Rehabilitation | $2,450,000 | 150,000 | 750,000 | | 3,350,000 |
| Building operating costs | 404,000 | | | | 404,000 |
| Food | | 295,354 | | | 295,354 |
| Subtotal | $2,854,000 | $1,593,350 | $1,104,000 | $1,044,004 | $6,595,354 |
| Family Shelter: | | | | | |
| Food | | $93,800 | | | $93,800 |
| Subtotal | 0 | $93,800 | 0 | 0 | $93,800 |
| Contingency/Start-up funding | | | | | $0 |
| Grand Total | $5,719,000 | $4,932,075 | $1,800,000 | $1,500,000 | $13,951,075 |

* FEMA contributions are estimates. FEMA has not yet determined the amount of its allocations to San Francisco for this purpose.

Item 2 - File 134-90-1

**Note:** This item was continued from the September 19, 1990 Finance Committee Meeting.

**Department:** Department of City Planning

**Item:** Resolution to apply for, accept and expend a new grant.

**Amount of Grant:** $82,600

**Source of Grant:** U.S. Department of the Interior, National Park Service

**Grant Period:** August 13, 1990 through November 12, 1991

**Project:** Presidio of San Francisco Planning Activity

**Project Description:**

The proposed grant would fund a project to implement the Memorandum of Understanding (MOU) between the Mayor and the General Superintendent, Golden Gate National Recreation Area (GGNRA), concerning planning activities for the jurisdictional transfer of the Presidio of San Francisco (Presidio) from the Department of Defense to the Department of the Interior, National Park Service.

The National Park Service is currently preparing to assume management responsibility for the Presidio and as an initial step intends to prepare an amendment to the GGNRA's General Management Plan covering the Presidio area.

According to the Department of City Planning, the Presidio represents a significant percentage of the City's land area and is extremely important to the City in its cultural, social, and economic aspects. It is desirable that the City's planning scope include all lands within the City's limits and that the plans and policies of the City and the National Park Service be coordinated.

The Memorandum of Understanding between the City and the GGNRA specifies that the Department of City Planning assign a staff member to participate as part of the multi-disciplinary team on Presidio planning matters. The planner assigned would be responsible for day-to-day coordination between the City and the National Park Service and for leadership of a task group representing City departments. The MOU specifies that the National

Park Service, subject to Congressional appropriations, provide funding for such a staff member for the duration of the planning process.

**Grant Budget:** According to Ms. Martha Kessler of the Department of City Planning, the $82,600 requested in the Resolution should be reduced to $80,668, which is the amount actually required for funding one position for the period August 13, 1990 through November 12, 1991. The funds would be allocated as follows:

| | |
|---|---|
| Civil Service Salaries (1.0 FTE) | $63,921 |
| Mandatory Fringe Benefits | 16,747 |
| Total | $80,668 |

**Indirect Cost Rate:** None

**Required Match:** None

**Comment:**

1. The MOU specifies that the agreement shall remain in effect for the duration of the planning process, which is expected to last a maximum of three years. This request represents funding for an initial fifteen month period. The Department anticipates that additional funding will be sought for subsequent planning activities.

2. The Department of City Planning has hired a staff person to perform the Presidio planning functions and that person has been performing those functions since August 13, 1990.

3. At the September 19, 1990 meeting, the Finance Committee amended the proposed legislation to reduce the grant amount by $1,932 from $82,600 to $80,668 to reflect the actual amount required by the Department to fund one position for fifteen months.

4. Also at that meeting, the Finance Committee inquired regarding what approvals are necessary to implement a MOU between the City and the GGNRA and what were the provisions of this MOU. The City Attorney's Office reports that they are reviewing the required approval process and will report on this matter at the September 26, 1990 Finance Committee meeting. The City Planning Department reports that Mr. Dean Macris will attend the September 26, 1990 Finance Committee to respond to the Supervisors concerns on the MOU.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

Item 3 - File 101-90-12

**Department:** Chief Administrative Officer

**Item:** Supplemental Appropriation Ordinance

**Amount:** $1,740,500

**Source of Funds:** Downtown Park Fund

**Description:** The proposed Supplemental Appropriation Ordinance would appropriate funds for the purchase of an approximately 31,510 square foot parcel consisting of five lots needed for construction of the Embarcadero Roadway, Rincon Point Park, and the Muni Metro Turnback.

Section 139 of the City Planning Code established the Downtown Park Fund in September of 1985. The purpose of the Fund is to provide the City with financial resources to acquire and develop public park and recreation facilities that can serve the daytime population in the downtown office district. The Fund receives fees from developers of downtown office space at the rate of $2 per square foot for the net additional gross floor area of office space, whether for new developments or additions to existing developments. The fee is due from the developer prior to issuance of a Certificate of Occupancy by the Bureau of Building Inspection. The amount of the fee is reviewed every third year by a joint session of the Recreation and Park Commission and the City Planning Commission to determine if a fee increase is appropriate. The Fund is administered jointly by the Recreation and Park Commission and the City Planning Commission.

The proposed acquisition site is located at the intersection of the Embarcadero and Folsom Street, as shown in the Attachment. The site is currently owned by the Marine Terminals Corporation. The site consists of Lots 7 through 10 in the Assessor's Block No. 3742. The State Lot No. is 38877. The area proposed for Rincon Point Park is the area below the line designated A in the attached diagram. The proposed Embarcadero Roadway includes the area between line A and line D and the proposed Muni Metro Turnback includes the area between lines B and C. Going from right to left on the diagram, the Muni Metro Turnback would be underground until the line designated "End 'U' Wall" at point E on the diagram.

The total acquisition cost of the proposed site for the three projects is $9.75 million, of which this $1,740,500 request is a part. Proposed sources of funding are as follows:

| Project | Source | Amount |
|---|---|---|
| Rincon Point Park | Downtown Park Fund | $4,150,000 |
| The City Planning Commission and the Recreation and Parks Commission have voted to allocate $4.15 million from the Downtown Park Fund. This supplemental appropriation request would appropriate $1,740,500 from the Fund. The balance of $2,409,500, to be collected in the Fund by the Summer of 1993 has been advanced to the City by the San Francisco Transportation Authority. | | |
| Muni Metro Turnback | Urban Mass Transportation Authority (UMTA) | 1,500,000 |
| The Public Utilities Commission has received a grant for $1.5 million from UMTA for the acquisition costs for the Muni Metro Turnback Project. | | |
| Embarcadero Roadway | Federal Highway Administration (FHWA) | 4,100,000 |
| FHWA will provide $4.1 million for land acquisition once the Surface Roadway project is granted an environmental clearance, expected in December, 1990. In the interim, Sales Tax funds have been appropriated by the San Francisco Transportation Authority for this portion of the funding. | | |
| Total Acquisition Cost | | $9,750,000 |

The total estimated costs for the three projects are as follows:

| Project | Total Estimated Project Cost |
|---|---|
| Rincon Point Park | $ 5,000,000 |
| Muni Metro Turnback | 151,089,000 |
| Embarcadero Roadway | 103,051,000 |
| Total | $259,140,000 |

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

**Comments:**

1. According to Ms. Martha Kessler of the Department of City Planning, the Downtown Park Fund currently has a balance of $1,807,006. She estimates that an additional $2,508,624 would be deposited to the Fund no later than the Summer of 1993 from the $2 per square foot fee imposed on the downtown office development. Those funds would be used to repay the San Francisco Transportation Authority for the $2,409,500 advance noted above.

2. The proposed site contains one two-story building, used for warehouse and office space, currently occupied by the property owner, Marine Terminals Corporation. According to Ms. Kate Harrison of the CAO's Office, the $9,750,000 site acquisition cost includes approximately $300,000 for relocation costs, approximately $250,000 for demolition and related costs of removing the existing building, and approximately $64,750 for administrative costs such as property appraisal and title insurance.

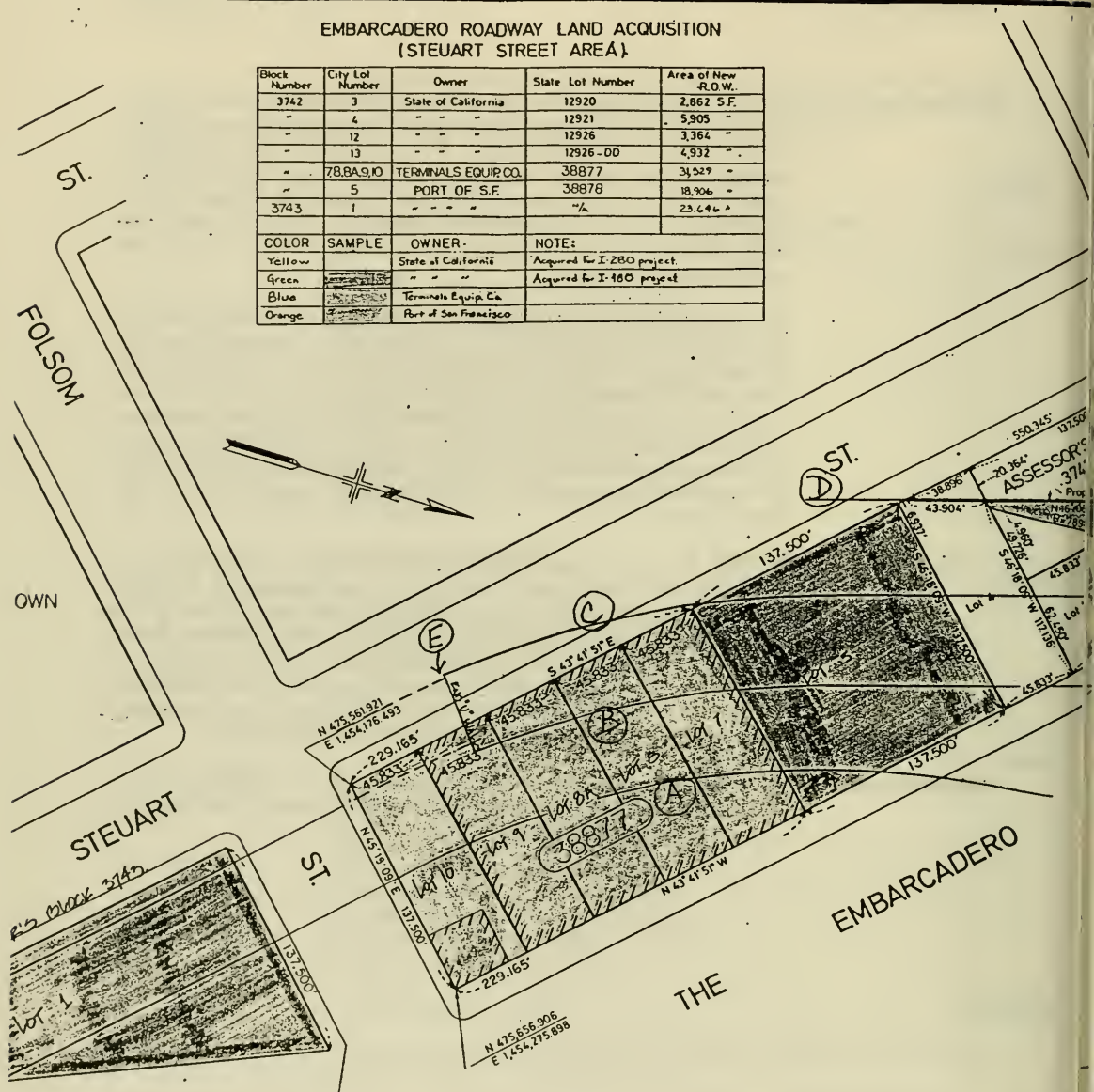
3. Ms. Harrison reports that an Amendment of the Whole to the proposed ordinance referencing environmental findings on the proposed project site will be introduced prior to the Finance Committee meeting. According to Ms. Barbara Sahm of the Department of City Planning, the Board's adoption of those findings, which are based on a 1985 environmental review of the I-280 Transfer Concept Program, is a necessary condition for appropriating funds for the subject site.

**Recommendation:** Approve the proposed Amendment of the Whole to the proposed ordinance referencing environmental fundings on the proposed project site.

# EMBARCADERO ROADWAY LAND ACQUISITION
## (STEUART STREET AREA)

| Block Number | City Lot Number | Owner | State Lot Number | Area of New R.O.W. |
|---|---|---|---|---|
| 3742 | 3 | State of California | 12920 | 2,862 S.F. |
| " | 4 | " " " | 12921 | 5,905 " |
| " | 12 | " " " | 12926 | 3,364 " |
| " | 13 | " " " | 12926-00 | 4,932 " |
| " | 7,8,8A,9,10 | TERMINALS EQUIP. CO. | 38877 | 31,529 " |
| " | 5 | PORT OF S.F. | 38878 | 18,906 " |
| 3743 | 1 | " " " " | "A | 23,646 " |

| COLOR | SAMPLE | OWNER | NOTE: |
|---|---|---|---|
| Yellow | | State of California | Acquired for I-280 project. |
| Green | | " " " | Acquired for I-480 project |
| Blue | | Terminals Equip. Co. | |
| Orange | | Port of San Francisco | |




## NOTES

BASIS OF BEARINGS: BARTD Disc No S-5 to S-3 as N46°18'00.3"E as per SFDPW Drawing Title: Embarcadero Roadway Design (File No M-10-38)

Coordinates are based on California Coordinate System, Zone 3.

Distances shown are ground distances.

R.O.W. = Right of Way.

REFERENCES

| NO. | DATE | DESCRIPTION |
|---|---|---|
| | | |

TABLE OF CHANGES
CAUTION: CHECK WITH TRACING TO SEE IF YOU HAVE LATEST REVISION

Item 4 - File 101-90-5

**Department:** Department of Public Works (DPW)
Clean Water Program (CWP)

**Items:** Supplemental Appropriation Ordinance

**Amount:** $3,000,000

**Source of Funds:** 1976 Sewer Revenue Bonds

**Description:** The proposed supplemental appropriation would provide funding for the design phase of the Richmond Transport Project. The Richmond Transport Project is a combination of underground retention facilities to store excess wet-weather flow, and enlarge interceptor sewers to convey additional flow to the recently completed Westside Transport for subsequent treatment at the Oceanside Water Pollution Control Plant. The current planning phase consists of the completion of the facilities plan, including an Environmental Impact Report (EIR), in accordance with the requirements of the Federal Environmental Protection Agency (EPA). Under the plan, the Regional Water Quality Control Board (RWQCB) has mandated the control of all Combined Sewer Overflows (CSO) from the Richmond District at Baker Beach from an average of 40 overflows per year to eight overflows per year.

The San Francisco City Planning Commission certified the Final Environmental Impact Report for the Richmond Transport Project on June 28, 1990. That report analyzed the potential environmental impacts of five alternative proposals for the collection, storage and transport of sewage in the Richmond District. The Board of Supervisors adopted the Final Environmental Impact Report for the Richmond Transport Project at its meeting of September 10, 1990 (File 53-90-1). Based on the EIR, the Chief Administrative Officer (CAO) and the Director of the Department of Public Works (DPW) recommended Alternative R-2, one of five alternate plans in the Final EIR, a gravity tunnel between the Presidio and the Great Highway, as the preferred development alternative (see Attachment).

The Board of Supervisors approved the Clean Water Program Facility Plan for the construction of the Richmond Transport Water Pollution Control facilities, adopting Alternative R-2, at its meeting of September 10, 1990 (File 53-90-1).

**Comments:**

1. According to Ms. Sara Pickus, Project Manager for the Richmond Transport Project, the Regional Water Quality Control Board (RWQCB) is continuing to hold the City accountable to a compliance schedule to abate water pollution as set forth in an existing RWQCB Cease and Desist Order. This schedule requires the City to comply with a start of project construction by August of 1992 and a completion of project construction by September of 1994. The City must meet this schedule in order to avoid any penalties for non-compliance which may be assessed at $25,000 per day. The current compliance schedule for the Richmond Transport Project is as follows:

| | |
|---|---|
| Complete Environmental Review | 8/90 |
| Complete Design of Alternative R-2 | 5/91 |
| Start Construction | 8/92 |
| Complete Construction | 9/94 |
| Full Compliance with Overflow Requirements | 9/94 |

2. The design phase of the Richmond Transport Project is scheduled to occur during the eight month period between October 1990 and May 1991. The design phase schedule is as follows:

| Action | Completion Date |
|---|---|
| Issue RFP | 10/90 |
| Pre-Proposal Conference | 10/90 |
| Receive Proposals | 11/90 |
| Notify a Maximum of Three Candidates for Oral Interviews | 11/90 |
| Oral Interviews | 12/90 |
| Consultant Selected | 12/90 |
| Contract Negotiation for Predesign Work | 12/90 |
| Certification of Contract and Initiation of Work | 2/91 |
| Completion of Design Work | 4/91 |

3. The design phase budget for the period from October 1990, through May, 1991, is as follows:

| | | |
|---|---|---|
| CWP Civil | $505,000 | |
| Mechanical | 232,000 | |
| Project Management | 120,000 | |
| Subtotal | | $857,000 |
| BOE Structural | $243,000 | |
| Electrical | 75,000 | |
| Landscape | 40,000 | |
| Surveys | 60,000 | |
| Subtotal | | 418,000 |
| Work Orders | | |
| Real Estate (Easement) | $90,000 | |
| City Attorney | 92,000 | |
| Traffic | 25,000 | |
| Subtotal | | 207,000 |
| Consultants | | |
| Hydroconsult (Modeling) | $118,000 | |
| DeLeuw Cather* | 280,000 | |
| Geotechnical | 200,000 | |
| Tunnel Design | 420,000 | |
| Subtotal | | 1,018,000 |
| Design Total | | $2,500,000 |
| Easement Purchases | | 500,000 |
| | | $3,000,000 |

*DeLeuw Cather Includes:

| | |
|---|---|
| Value Engineering (Greeley) | $45,000 |
| Indep. Cost Estimates (Jacobs) | 35,000 |
| Public Information (HRC) | 40,000 |
| Agencies/EIS* (NEPA** Compliance) (DeLeuw) | 88,000 |
| Scheduling (DTA) | 40,000 |
| Postage | 8,000 |
| Profit | 24,000 |
| | $280,000 |

* Environmental Impact studies.

** National Environmental Protection Act

4. According to Mr. Bob Badgley of the Clean Water Program, the Clean Water Program has continuing contracts with Hydroconsult and DeLeuw Cather to provide expert consultant services. The work for this project will be performed as a service agreement under those contracts. Based on their prior experience, Mr. Badgley reports that Hydroconsult would provide a total of 4,000 hours at an average hourly rate of $29.50 per hour. DeLeuw Cather would provide a total of 8,000 hours at an average hourly rate of $35 per hour. According to Mr. Badgley, DTA and HRC, shown above as subcontractors to DeLeuw Cather, are Minority Business Enterprise (MBE) firms.

5. Mr. Badgley states that MBE/WBE preferences will apply to the Geotechnical ($200,000) and Tunnel Design ($420,000) portions of the project, which will be awarded under a Request for Proposal process. As of the writing of this report, the MBE/WBE status, hourly rates and contractual hours are not available for these consultants because they have not yet been selected.

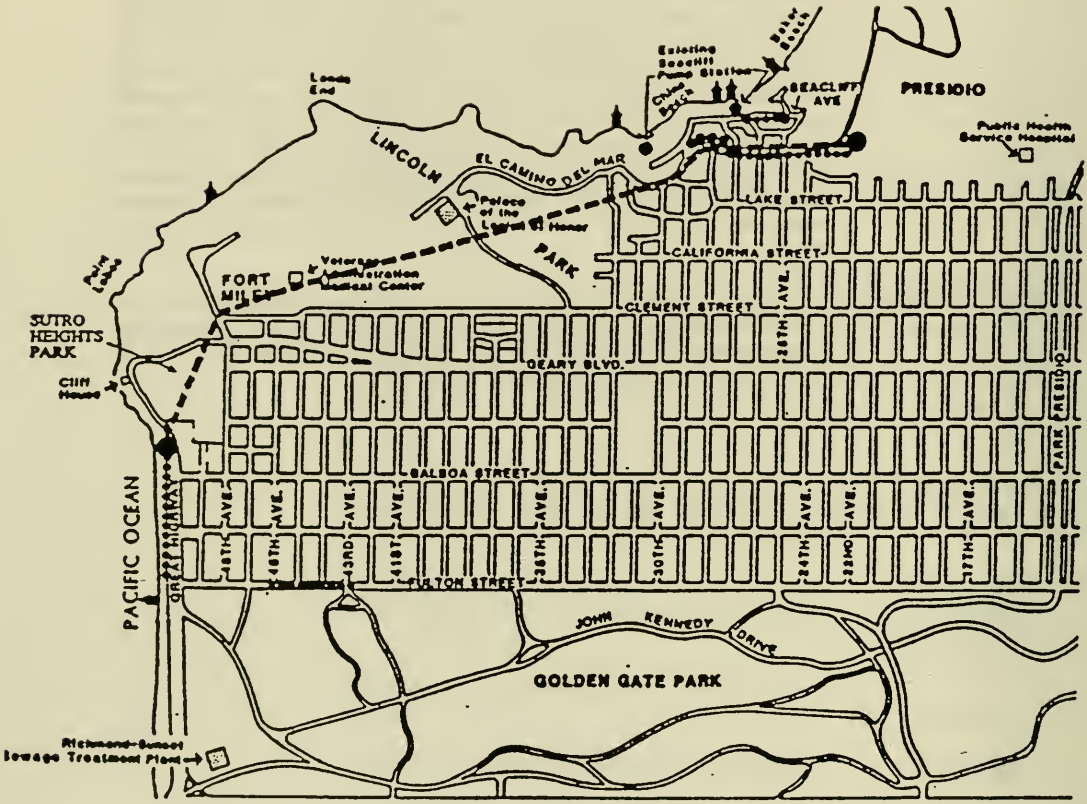
6. At this time, a preliminary capital cost estimate for the construction phase of the Richmond Transport Project, as reported in the Facilities Plan, is as follows:

| | |
|---|---|
| Construction Costs | $22,840,000 |
| Contingency (20% of Construction Costs) | 4,568,000 |
| Subtotal | $27,408,000 |
| Professional Services (16% of Construction Costs) | 3,654,000 |
| Interest on Funds Loaned from the State | 2,757,000 |
| Total | $33,819,000 * |

* Does not include right of way costs.

7. A portion of the funds to construct the proposed Richmond Transport Facility would come from a revolving loan fund from the State Water Resources Control Board (SWRCB). Funds can be borrowed from this fund at an interest rate which is one-half the State's on-going interest rate for General Obligation Bonds. For example, the funds recently borrowed under this program for the construction of the Oceanside Wastewater Treatment Plant were at an interest rate of 3.4 percent as compared to a General Obligation Bond interest rate of 6.8 percent. It is anticipated that the balance of needed construction funds would be financed from sewer revenue bonds.

**Recommendation:** Amend the proposed ordinance by reserving $620,000 for the outside Geotechnical and Tunnel Design consultant contracts pending submission of the consultants' MBE/WBE status, hourly rates and projected hours of work.




Legend:

- New Street Sewers
- New Tunnel
- Tunnel Portal
- Existing Outfall
- Existing Pump Station

## ALTERNATIVE R-2

Item 5 - File 100-90-8

**Note:** This item was continued from the September 19, 1990 Finance Committee Meeting.

1. This item is a hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health, social services and criminal justice departments, as well as the poor and infirmed. The Budget Analyst worked together with the Legislative Policy Analyst staff to prepare the following information.

2. On July 31, 1990 Governor Deukmejian signed the FY 1990-91 State of California budget, which contained a total General Fund budget of $42.9 billion. This FY 1990-91 General Fund budget is approximately $3.1 billion or 7.6 percent greater than the the FY 1989-90 State General Fund budget. Together, the State's General Fund, Special Fund and Bond Funds FY 1990-91 budget, including proceeds from the recent Proposition 111 voter approved Gas Tax increase, totals $55.7 billion, or approximately $6.3 billion or 12.8 percent greater than the State's FY 1989-90 total budget.

3. Although the State budget has increased over the past year, the FY 1990-91 State budget reflects significant reductions in specific programs which will directly impact on the City and County of San Francisco. On August 7, 1990, the Controller issued a memo to the members of the Finance Committee regarding the proposed State budget reductions. At that time, the total preliminary budget impact on San Francisco for FY 1990-91 was between $24 million and $37.1 million. These reductions would affect the Department of Public Health, specifically the Medically Indigent Services Program, the Mental Health Department and Laguna Honda Hospital, the Department of Social Services, Trial Court Funding, the Juvenile Justice system and various previous State mandates and miscellaneous State programs.

4. As a result of a compromise package which was subsequently approved by the State Legislature on August 31, 1990, there was approximately $11.5 million of additional State funding made available for San Francisco's Medically Indigent Services Program (MISP) and the Mental Health Department.

5. Mr. Dave Fong of the Controller's Office reports that the Controller has just completed their accounting of total actual San Francisco revenues and expenditures for FY 1989-90. Based on additional close-outs that were previously not identified and adjustments for the tax rate cost of living adjustment together with increased appropriations for the Art Commission's Municipal Symphony Concerts and the District Attorney's Family Support Bureau's Welfare and Assistance Programs, the City's General Fund General Reserve of $8,500,000 approved during the 1990-91 budget process has been increased by a net total of $2,360,492 for a total General Fund General Reserve of $10,860,492.

6. Public Health Department: The level of State proposed cuts in the Health Department is currently estimated to total approximately $10 million. Reductions in State funding for the Medically Indigent Services Program will result in a cut of approximately $3,375,000 for San Francisco. In addition, a reduction of $5,750,000 in mental health services in San Francisco is currently projected. Another approximately $650,000 in reductions for cost of living adjustments at Laguna Honda Hospital are also projected based on the State's reduction of the cost of living adjustments not taking effect until January 1, 1991.

Proposition 99, or AB75 Tobacco Tax funds may also be affected by the proposed State budget cuts because AB75 contains a maintenance of effort requirement for receipt of Proposition 99 funds. Failure to maintain the AB75 specified level of funding for outpatient services, AB8 and Medically Indigent Services Programs could result in the loss of Proposition 99 funds. The Health Department reports that they are currently examining these potential additional budgetary impacts.

The Board of Supervisors held a Beilensen Hearing on August 27, 1990, which is required because of the service level reductions which will be necessary. The August 27 hearing was scheduled to discuss two levels of departmental cuts - $5 million (A level reductions) and $10 million (B level reductions). Since more than $10 million in funding for public health services were previously anticipated to be cut from the Health Department, the Health Commission met on August 21 to discuss reductions totalling $25 million (C level reductions). To date, the Board of Supervisors has not made a finding regarding the Beilensen Hearings.

The Department of Public Health reports that the process of determining and implementing budget reductions has begun. The Department has limited many service contracts to 30 days and has begun the process of employee notification regarding potential layoffs. The Health Department used the following "guiding principles" when determining where to make the proposed programmatic cuts in each of its divisions:

(1) Maintain essential public health services

Provide basic level of care to those with no other option
Maintain accreditation and licensing standards
Maintain mandated services and services critical to the community

(2) Maintain integrity of support services (finance, personnel, contracts, MIS) relative to service levels and revenue generating requirements.

Minimize loss of revenues generated by billing, fees, grants
Minimize loss of revenues attributable to audit disallowances
Maximize alternative sources of revenues.

(3) Where possible and appropriate, consolidate/integrate services to provide multiple health services (e.g. mental health, public health, substance abuse, HIV) at primary care sites.

(4) Allocate budget reductions equitably among major DPH divisions.

The Department of Public Health has proposed a policy resolution expanding these guiding principles to include the following:

Maintain legal mandate that establishes the County as the "provider of last resort" for indigent residents (Welfare and Institutions Code Section 17000).

Use DMSF Strategic Plan to guide reductions in mental health, substance abuse and forensics.

According to Ms. Jan Ouren, Assistant Director of Planning for the Health Department, the cuts in the Public Health Department have been allocated equitably based on the percentage of General Fund revenues in each division.

7. Department of Social Services: The San Francisco Department of Social Services projects that State budget cuts will result in over a $6 million reduction in State allocations for administration and State and local contributions for client assistance in FY 1990-91. However, as a result of recent decisions by the State Department of Social Services, combined with more aggressive claiming of federal reimbursements, the Department is estimating an overall shortfall of approximately $1.0 million. The budget cuts projected by the Department of Social Services are as follows:

(1) Elimination of AFDC COLA for 1990-91 As of June 30, 1990, San Francisco had a total of 12,370 families on AFDC. These families receive an average of $605 per month and as a result of the State's budget cuts, these families will not receive a cost of living (COLA) increase in their aid payments in 1990-91. Approximately $4 million in State and federal aid for purposes of the AFDC COLA would have been matched by San Francisco's local share of $208,000. As a result of the elimination of this COLA, San Francisco will not receive State and federal funds, nor spend its local share of $208,000.

(2) Elimination of AFDC, Food Stamp, and MediCal Administrative COLA Each year, the local government cost of providing AFDC, Food Stamp and other Medical federal and State program services increases by a cost of living adjustment. These increases include salaries, fringe benefits, materials and supplies. As reflected in the Attachment, the lack of these COLA reimbursements from the State and federal government were initially estimated to result in approximately $2 million of budget reductions for San Francisco. However, based on more current information provided by the State, the Federal government would have provided 50 percent of the increased costs ($640,000) required to provide these services. This amount must be matched at the State and local level. The 1990-91 State budget does not include its usual 25 percent match ($320,000) which means that San Francisco must come up with the entire 50 percent match or risk losing the entire federal grant. Thus, the loss of federal ($640,000) plus State funds ($320,000) is now estimated to result in a total loss of $960,000.

(3) AFDC Homeless Assistance There will be an unspecified $5 million reduction in this $40 million State-wide program. San Francisco spent $1.5 million in 1989-90 on this program. The specific impact on San Francisco has not yet been identified but is not expected to be significant.

(4) GAIN Program Currently, there are 1,542 clients enrolled in this program in San Francisco. The estimated FY 1990-91 City budget for this program was $4,374,830, entirely funded by the State. The amount proposed by the Governor for 1990-91 is $4,160,000, a reduction of $214,830, although this is not expected to directed impact on the City's budget. Full participation in this program (8,500 clients) is mandated by the State Legislature to take place within two years.

(5) Children's Services Recent information indicates that Children's Welfare Services have been cut by $55 million State-wide. This includes programs such as Emergency Response, Family Maintenance, Family Reunification and Permanent Placement. The Department of Social Services and the Mayor's Office is not projecting any additional budget reductions in San Francisco for such Children's Services.

In addition to the reductions outlined above, the Department of Social Services will not be paying an additional $1,690,000 which was set aside in a reserve account for a General Assistance program cost of living (COLA) increase. Section 20.57(d) of the San Francisco Administrative Code requires that the General Assistance grant amounts be adjusted each year " by the annual percentage cost of living increase or decrease" which is applied by the State Legislature to the Aid to Families with Dependent Children (AFDC) Program. Since the 4.6 percent AFDC COLA has been eliminated from the State budget, the City will also eliminate the GA COLA, which will reduce GA expenditures. As of June, 1990, 10,382 persons eligible for General Assistance were receiving an average stipend of $341 per month from the City.

8. Trial Court Funding: Based on a State reduction of ten percent from the FY 1989-90 allocation and the deletion of the cost of living adjustment projected, San Francisco is projected to receive a reduction of $2.5 million for Trial Court Funding in FY 1990-91. It should be noted that the proposed State reduction is not a one-time reduction but is intended to be a continuing reduction that will be incorporated in the Trial Court Funding base for future years.

It was initially anticipated that San Francisco would have received approximately $16.2 million in Trial Court Funding in FY 1990-91. Therefore, a reduction of $2.5 million would result in a total allocation of approximately $13.7 million for San Francisco from Trial Court Funding in FY 1990-91.

For FY 1990-91, the Board of Supervisors had committed by resolution that one-third of the 1990-91 Trial Court Funding block grant would be received by the Municipal and Superior Courts, similar to the commitment made for FY 1989-90. All Trial Court Funding block grant monies not going directly to the courts, or approximately two-thirds of the Trial Court Funding block grant, is credited to the General Fund which finances court operations. All City and County budgeted costs for court operations, including the County Clerk's Office, are approximately $43 million in FY 1990-91.

Based on the projected $2.5 million reduction in Trial Court Funding for San Francisco, if the same allocation as approved in the prior resolutions were applied, one-third of the proposed reduction would total an approximately $833,333 reduction in Municipal and Superior Courts funding and two-thirds of the proposed reduction would total an approximately $1,666,667 reduction in General Fund monies. If this reduction were equally distributed between the Municipal and Superior Courts, it would result in a reduction of approximately $416,667 to the Municipal Court and $416,667 to the Superior Court.

At the August 29, 1990 Finance Committee meeting, a request was made for letters to be sent to both the Municipal and Superior Courts for their input regarding how the specific reductions would be allocated.

As shown in Attachment 1, the Municipal Court is proposing a combination of increases in court filing fees to become effective January 1, 1991 and anticipated to generate $135,000 of additional revenues and reductions in services and equipment, estimated to save $281,667, for a total of $416,667 to offset the proposed budget reductions. Similarly, as shown in Attachment 2, the Superior Court is proposing a combination of increases in court filing fees to become effective January 1, 1991 and anticipated to generate $120,000 of additional revenues and reductions in fee and other compensation expenditures and equipment purchases, estimated to save $296,667, for a total of $416,667 to offset the proposed budget reductions. According to these estimates provided by the Municipal and Superior Courts, the proposed reductions would together offset a total of $833,334 of State budget reductions, or one-third of the $2.5 million reduction in Trial Court Funding monies received by San Francisco.

According to information provided by Mr. Park-Li, the State budget reductions provide for courts and counties to negotiate the impact of the proposed

reductions, as addressed in a new subsection of the Government Code (Section 77200(d); SB 2557). This subsection states that in any year in which the block grant is reduced, the county may reduce expenditures for "court operations" by an amount not exceeding the dollar amount of the cut in the block grant. Such discretionary language does not require the backfilling of such cuts from other revenues nor does it require that counties pass such cuts onto the courts. Specifically how the Trial Court Funding budget reductions are allocated in each county is at the discretion of the courts and the county.

9. Juvenile Justice: The State budget reductions resulted in an overall 50 percent reduction in Criminal Justice Council funding, specifically AB90 funding.

In early August, 1990 the Mayor's Criminal Justice Council (MCJC) submitted a resolution to apply for, accept and expend State grant subvention funds to the Board of Supervisors which was approved for $1,620,242 for FY 1990-91. However, the State informed MCJC that based on the State's budget cuts, the City would only receive a total grant allocation of $825,746 a 49 percent reduction ($794,496) in the original grant amount. According to Mr. Jim Buick of MCJC, MCJC's Youth Services Task Force made recommendations to MCJC's Executive Committee concerning the specific areas for reducing the proposed State grant allocation. These recommendations, in the form of a resolution, to apply for, accept and expend the $825,746 State grant funds were approved by the Finance Committee on August 29, 1990.

However, the Finance Committee instructed the MCJC to not reduce funding to its contractors, but rather to continue paying these contractors at the full $1.6 million allocation level, to review MCJC's proposed reductions and to present alternative recommendations for levels of funding and services to the Finance Committee meeting. At the September 5, 1990 Finance Committee, Mr. Jim Buick presented a prioritized ranking of the services and the cost for reinstating these services that were reduced due to the State budget cuts.

10. State Mandates: The California Constitution generally provides that whenever the State Legislature or any State agency mandates a new program or a higher level of service on any local government, the State shall provide a subvention of funds to reimburse the local government for the costs of the program or increased level of service. However, SB 1333, recently approved by the State Legislature, provides that local agencies would not be required to implement a new program or higher level of service if it has been specifically identified by the Legislature in the Budget Act as being one for which reimbursement is not provided for that fiscal year.

The specific State mandates that would be optional in FY 1990-91 and would no longer be reimbursed by the State are as follows:

Investigations of Guardianship
Juvenile Felony Arrests
Victims Statements
Dental Examinations
Marijuana Records
Motorists Assistance
Missing Persons Reports
Signatures for Filing Fees
School Crossing Guards
Airport Land Use
Pretreatment Facilities
Short-Doyle Audits
Detention of Minors
Investment Reports
Open Meetings Act
Real Property Subdivision Mergers
Personnel Files

Based on estimates provided by the Controller's Office, the City would receive an approximate $700,000 reduction in State revenues from these previous State mandates. The Mayor's Office reports that an approximate $250,000 reduction in FY 1990-91 budgeted funds would result from the loss of these revenues.

According to SB 1333, if San Francisco elects to implement these optional programs, although State funds would not be available for reimbursement, SB 1333 provides that the local jurisdiction may assess fees for such services, provided that the fees do not exceed the reasonable costs of the services. Estimates of potential revenues if these services were continued and fees were assessed for these programs or services have not been made by the County, to date.

In addition to the above listed State mandates, reimbursement of Indigent Defense capital cases that are assigned to San Francisco will no longer be available for reimbursement from the State. San Francisco's costs incurred for such capital cases have previously been eligible to receive State reimbursement.

11. Miscellaneous Program Reductions: The Controller's Office had initially estimated a total of another approximately $1.0 million in miscellaneous State budget costs would directly impact on a variety of other programs throughout San Francisco. Although specific allocation of the $1.0 million to departmental programs or service reductions had not been determined, it is known that $116,500 reduction from the State Foundation Fund for the Public Library's services would be part of these reductions. The Mayor's Office reports that the only specific reduction that has been identified thus far is a total of $120,000 from the Public Library.

12. Mayor's Response: In response to the State's budget cuts, the Mayor's Office issued a memo to all City Departments indicating a need to reallocate some of the City's General Fund resources from City departments which have not been directly impacted by the State funding cutbacks and requested that all departments review their FY 1990-91 budgets and "identify options for reducing General Fund spending by two percent during the 1990-91 fiscal year".

The total FY 1990-91 General Fund budget, including the General Fund allocations to MUNI, San Francisco General Hospital and Laguna Honda Hospital and excluding the General Fund allocations to general City responsibilities, such as bond interest and redemption, workers compensation, retirement, health service and claims and judgements is approximately $1.6 billion. An across the board two percent General Fund budget reduction would total an approximately $32 million savings.

On September 14, 1990, the Mayor presented a proposal to the Board of Supervisors to reduce City department's expenditures and increase City revenues to offset the State's budget cut. As reported by the Mayor's Office, the State budget reductions totalled $14,445,000 for FY 1990-91. As reported by the Mayor, additional adjustments to the City's budget result in a net shortfall of $13,745,000 in the City's FY 1990-91 budget.

The Mayor's proposal to eliminate this shortfall includes an increase in the annual Business Registration Fee from $75 to $150, estimated to generate an additional $3.7 million annually, an increase in the annual Rent Board Fee from $4 to $8, estimated to generate an additional $650,000 annually and additional Municipal Railway revenues of $2.5 million, which were not known at the time of the preparation of the City's budget for Fiscal Year 1990-91, for a total of $6.85 million of additional revenues. The Mayor's proposal also includes reductions in spending in the Health Department ($4.6 million), Social Services ($287,500), Municipal and Superior Courts ($800,000), Public Library ($58,500), Juvenile Justice ($384,000) and Other Departments ($800,000) for a total spending reduction of $6,930,000. The $800,000 of reductions in Other Departments include Fire Department ($420,000) Parking and Traffic ($283,000), Electricity ($80,000) and Recreation and Parks ($17,000).

Together, the Mayor's revenue and expenditure proposals provide a net balance of $13,780,000, which would more than offset the Mayor's projected budget shortfall of $13,745,00 for FY 1990-91.

13. Revenue Potential: The State budget includes provisions for counties to generate new revenues by levying fees and taxes on cities, schools, unincorporated areas and special districts within counties. However, San Francisco, as both a City and a County, does not have the ability to realize many of these revenues.

If San Francisco charged the Community College District and the San Francisco Unified School District for their pro-rata share of the City's administrative expenses incurred for property tax assessment and collection costs, it is estimated that the City and County could recover approximately $900,000 of additional revenues. San Francisco could also charge the Bay Area Rapid Transit District (BART), the Community College District and the Unified School District for their jail booking costs. Such an assessment is estimated to generate approximately $100,000 annually.

THE MUNICIPAL COURT OF THE
CITY AND COUNTY OF SAN FRANCISCO
(415) 554-4521

City Hall
Room 300
San Francisco, Ca 94102

Hall of Justice
850 Bryant St.
San Francisco, Ca 94103

September 14, 1990

Supervisor Nancy Walker
Chair, Finance Committee
Room 235, City Hall
San Francisco, CA 94102

Dear Supervisor Walker:

Pursuant to the request of the Finance Committee, the Municipal Court has reviewed its 1990-91 budget and submits the following adjustments to its revenue and expenditure accounts. These adjustments will offset state cuts by $416,667.00.

I. REVENUE:

| Index Code | Object | Description | Original Estimate | Revised Estimate | Increase |
|---|---|---|---|---|---|
| 040709 | 7001 | Court Fees | $1,200,000 | $1,335,000 | $ 135,000 |

We will raise our civil filing fee effective January 1, 1991.

II. EXPENDITURES:

| Index Code | Object | Description | Original Estimate | Revised Estimate | Decrease |
|---|---|---|---|---|---|
| 317016 | 1200 | Other Services | $ 767,125 | $ 655,473 | <$111,652> |
| 317016 | 2200 | Equipment | 57,743 | 52,693 | < 5,050> |
| 317016 | 2310 | Eqpt Lease/Purchase | 1,077,570 | 912,605 | < 164,965> |
| | | | $1,902,438 | $1,620,771 | <$281,667> |

In addition to the above amounts, an undetermined amount of savings could be realized if the Court's weekend bail functions were shifted to another agency which currently maintains a 24-hour operation. We are available to work with the Budget Analyst's office to review this issue.

Any further cuts would reduce our capability to maintain the current level of services to the public, our ability to implement new programs, and would result in loss of revenue due to delays in the processing of parking citations. Your assistance to prevent this from happening is greatly appreciated.

Sincerely yours,

Gordon Park-Li
Clerk-Administrator

GPL:bmc

cc: Budget Analyst, Board of Supervisors
Supervisors Bill Maher, Terence Hallinan
Presiding Judge William J. Mallen
Mr. Samuel D. Yockey, Controller

wp: rev/adjust

# Superior Court of California

## San Francisco

September 11, 1990

DONALD W. DICKINSON
CNTY CLERK/EXECUTIVE OFFICER
CITY HALL ROOM 313
(415) 554-4110

MEMORANDUM

TO: FINANCE COMMITTEE, BOARD OF SUPERVISORS

FROM: Donald W. Dickinson, County Clerk/Executive Officer

SUBJECT: 1990-91 - Trial Court Funding Shortfall

Per your request and that of Presiding Judge John Dearman, a line by line analysis was made of the Superior Court/Clerk budget for the purpose of determining what changes had occurred that could impact the total needs of the Superior Court/County Clerk in light of the shortfall in Trial Court Funding.

The following information is presented to meet the $416,667 you requested be reduced from the Superior Court/County Clerk allocation:

| | | | | |
|---|---|---|---|---|
| Fee Increase | | | | $120,000 |
| 7001 Court Fees | | | $120,000 | |
| A bi-annual six percent($6.00) fee increase is authorized by the Code. This can go into effect on January 1, 1991 and will generate $20,000 per $1.00 for the six-month period. | | | | |
| Balance Required | | | | $296,667 |
| 040 Fees & Other Compensation | | | $256,171 | |
| 220 Equipment Purchases | | | 40,496 | |
| Room 450 | | | $11,000 | |
| 10055Y | PA System | 1 | $11,000 | |
| Room 400 | | | 29,496 | |
| 10003Y | Chair | 4 | $1,000 | |
| 10005Y | Chair | 14 | 10,136 | |
| 10007Y | Chair | 18 | 4,860 | |
| 10019Y | Table | 2 | 900 | |
| 10029Z | Desk | 5 | 1,600 | |
| 10055Y | PA | 1 | 11,000 | |

If further information is required, please let me know.

cc: Budget Analyst, Board of Supervisors
Hon. John Dearman, Presiding Judge
Hon. Edward Stern, Assistant Presiding Judge

Items 6 and 7 - Files 101-90-17 and 102-90-4

1. The proposed draft ordinance (File 101-90-17) to adjust revenue and expenditure appropriations of the 1990-91 Annual Appropriation Ordinance (annual budget) and the proposed draft ordinance (File 102-90-4) to amend the 1990-91 Annual Salary Ordinance would implement the adjustments necessary resulting from State budget reductions in allocations to the City and County of San Francisco and other needed adjustments to the ordinances.

2. On July 31, 1990 the Governor signed the FY 1990-91 State of California budget, which totals $55.7 billion, approximately $6.3 billion or 12.8 percent greater than the State's FY 1989-90 total budget. Although the State budget has increased over the past year, the FY 1990-91 State budget reflects significant reductions in specific programs which will directly impact on the City and County of San Francisco. Based on a compromise package which was approved by the State Legislature on August 31, 1990, approximately $11.5 million of additional State funding was made available for San Francisco's Medically Indigent Services Program (MISP) and the Mental Health Department. (See Item 5, File 100-90-8 of this report). The total State budget reductions amount to $14,445,000. Considering additional needed adjustments, the City is facing a projected shortfall of $13,745,000. The proposed draft ordinances reflect the Mayor's recommendation to resolve this shortfall.

3. The proposed draft Ordinance as originally submitted by the Mayor (File 102-90-4) to amend the 1990-91 Annual Salary Ordinance would have created 15 new positions and deleted 59 existing positions in various City departments. The proposed draft Ordinance to amend the Annual Salary Ordinance has been finally amended by the Controller to create 16 new positions and delete 19 existing positions. Additional positions are being defunded but are not being deleted at this time for administrative purposes as requested by the Controller. Irrespective of the number of positions now being deleted by this ordinance, the dollar reduction in expenditures has not varied significantly from the submission by the Mayor.

The 16 new positions that would be created and 19 existing positions that are proposed for deletion, for a net reduction of three positions, are as follows:

| Action | Number | Classification | Biweekly Salary Range | Top Step Annual Salary |
|---|---|---|---|---|
| Public Defender | | | | |
| Create | 2 | 2940A Child Welfare Worker | $1,491-1,809 | $47,034 |
| Adult Probation | | | | |
| Create | 2 | 1424A Clerk Typist | 850-1,027 | 26,702 |
| Create | 1 | 8106A Legal Process Clerk | 887-1,073 | 27,898 |
| Create | 1 | 8434A Supv. Adult Prob Officer | 1,580-1,918 | 49,868 |
| Create | 6 | 8440A Probation Officer | 1,304-1,580 | 41,080 |
| Create | 2 | 8442A Senior Probation Officer | 1,436-1,740 | 45,240 |

| Action | Number | Classification | Biweekly Salary Range | Top Step Annual Salary |
|---|---|---|---|---|
| Public Health | | | | |
| Delete | 2 | 1404A Clerk | $818-989 | $25,714 |
| Delete | 1 | 1446W Secretary II | 1,027-1,243 | 32,318 |
| Delete | 1 | 2220A Physician | 2,449-2,977 | 72,402 |
| Delete | 1 | 2593A Health Program Coordinator III | 1,666-2,023 | 52,598 |
| Delete | 1 | 2806B Disease Control Investigator | 1,209-1,463 | 38,038 |
| Delete | 4 | 2830B Public Health Nurse | 1,862-2,330 | 60,580 |
| Delete | 1 | 2846A Nutritionist | 1,573-1,909 | 49,634 |
| Delete | 1 | 8204A Institutional Police Officer | 1,862-2,330 | 60,580 |
| Create | 1 | 1450W Executive Secretary I | 1,125-1,362 | 35,412 |
| San Francisco General Hospital | | | | |
| Delete | 1 | 1402A Junior Clerk | 745-899 | 23,374 |
| Delete | 1 | 1404A Clerk | 818-989 | 25,714 |
| Delete | 1 | 1424A Clerk-Typist | 850-1,027 | 26,702 |
| Delete | 1 | 2110A Medical Records Clerk | 961-1,163 | 30,238 |
| Delete | 1 | 2453A Supervising Pharmacist | 1,835-2,230 | 57,980 |
| Delete | 1 | 2230A Physician Specialist | 2,571-3,126 | 81,276 |
| Delete | 1 | 2305A Psychiatric Technician | 1,078-1,304 | 33,904 |
| Create | 1 | 2586C Health Worker II | 899-1,088 | 28,288 |

4. The proposed Ordinance (File 101-90-17) to adjust 1990-91 revenue and expenditure appropriations would recognize the savings resulting from the net decrease in positions (point 3, above) and other increases and decreases in revenue and expenditure appropriations. The Mayor's letter dated September 14, 1990, indicates a total projected shortfall of $13,745,000 and revenue and expenditure appropriations adjustments totalling $13,780,000. Subsequent to the Mayor's letter, the Controller's Office issued a more precise tabulation of adjustments in the form of the proposed Ordinance (and is continuing to make further refinements as of the writing of this report), as follows:

| | Revenue Increase | Expenditure Decrease (Increase) |
|---|---|---|
| Public Defender | | |
| Permanent Salaries-Miscellaneous | | $( 45,000) |
| Mandatory Fringe Benefits | | ( 15,000) |
| Total Public Defender | | $( 60,000) |
| Adult Probation | | |
| Permanent Salaries - Miscellaneous | | $(306,215) |
| Mandatory Fringe Benefits | | (95,628) |
| Total Adult Probation | | ($401,843) |

| | Revenue Increase | Expenditure Decrease (Increase) |
|---|---|---|
| Public Health - Central Office | | |
| Permanent Salaries - Miscellaneous | | $405,591 |
| Permanent Salaries - Nurses | | 254,625 |
| Mandatory Fringe Benefits | | 180,223 |
| Professional and Special Services | | 1,548 |
| Medical Service Contracts | | (4,146) |
| Telephone | | 3,072 |
| Materials and Supplies | | 7,929 |
| Services of Other Departments | | 20,351 |
| Total Public Health Central Office | | $869,193 |
| Community Mental Health Services (CMHS) | | |
| Permanent Salaries - Miscellaneous | | $618,838 |
| Permanent Salaries - Nurses | | 21,824 |
| Mandatory Fringe Benefits | | 159,690 |
| Medical Services Contracts | | 826,660 |
| Professional Services | | 20,000 |
| Other Current Services | | 20,000 |
| Telephone | | 30,000 |
| Materials and Supplies | | 82,000 |
| Rental of Property | | 48,634 |
| Services of Other Departments | | 100,752 |
| Total CMHS | | $1,928,398 |
| San Francisco General Hospital (SFGH) | | |
| Permanent Salaries - Miscellaneous | | $271,424 |
| Permanent Salaries - Nurses | | 51,247 |
| Temporary Salaries | | 73,170 |
| Mandatory Fringe Benefits | | 75,659 |
| Medical Service Contracts | | 475,000 |
| Telephone | | 50,000 |
| Other Current Services | | 14,851 |
| Materials and Supplies | | 148,000 |
| Rental of Property | | 175,149 |
| Services of Other Departments | | 91,000 |
| Total SFGH | | $1,425,500 |
| Business Registration Tax | $3,700,000 | |
| Superior Court | | |
| Court Fees | $120,000 | |
| Fees and Other Compensation | | $256,171 |
| Equipment Purchase | | 40,496 |
| Totals Superior Court | $120,000 | $296,667 |

| | Revenue Increase | Expenditure Decrease (Increase) |
|---|---|---|
| Municipal Court | | |
| Court Fees | $135,000 | |
| Other Current Purchase | | $111,652 |
| Equipment Purchase | | 5,050 |
| Equipment Lease/Purchase | | 164,965 |
| Totals Municipal Court | $135,000 | $281,667 |
| Fire Department | | |
| Permanent Salaries - Uniform | | $220,000 |
| Mandatory Fringe Benefits | | 200,200 |
| Total Fire Department | | $420,200 |
| Parking and Traffic Commission | | |
| Permanent Salaries - Miscellaneous | | $233,180 |
| Mandatory Fringe Benefits | | 53,048 |
| Total Parking and Traffic | | $286,228 |
| Public Library | | |
| Permanent Salaries - Miscellaneous | | $8,200 |
| Mandatory Fringe Benefits | | 1,866 |
| Services of Other Departments | | 30,316 |
| Total Public Library | | $40,382 |
| Recreation and Park | | |
| Permanent Salaries - Craft | | $14,573 |
| Mandatory Fringe Benefits | | 4,310 |
| Total Recreation and Park | | $18,883 |
| Social Services | | |
| Permanent Salaries - Miscellaneous | | $151,871 |
| Differential Pay | | 7,470 |
| Mandatory Fringe Benefits | | 36,250 |
| Professional and Special Services | | 10,000 |
| Services of Other Departments | | 22,500 |
| Program Project Budget | | 75,000 |
| Total Social Services | | $303,091 |
| Electricity - Communications | | |
| Permanent Salaries - Craft | | $5,080 |
| Temporary Salaries | | 40,422 |
| Mandatory Fringe Benefits | | 16,156 |
| Telephone | | 17,595 |
| Materials and Supplies | | 3,000 |
| Services of Other Departments | | 3,000 |
| Total Electricity - Communications | | $85,253 |

| | Revenue Increase | Expenditure Decrease (Increase) |
|---|---|---|
| Tobacco Tax Fund | | |
| Medical Services Contracts | | $18,759 |
| Mandatory Fringe Benefits | | ( 682) |
| Total Tobacco Tax Fund | | $18,077 |
| Rent Arbitration Board | | |
| Rent Arbitration Fees | $622,047 | |
| (Although the projected increase in fees is $650,000 only $622,047 of the Rent Arbitration Board is funded by the General Fund.) | | |
| Municipal Railway | | |
| Metropolitan Transportation Commission Additional Allocated Revenues | $2,515,000 | |
| Laguna Honda Hospital (LHH) | | |
| Permanent Salaries - Miscellaneous | | $155,000 |
| Mandatory Fringe Benefits | | 45,000 |
| Professional and Special Services | | 133,000 |
| Medical Services Contracts | | 16,000 |
| Other Contractual Services | | 36,000 |
| Services of Other Departments | | 52,300 |
| Total LHH | | $437,300 |
| Total Revenue Increases and Expenditure Reductions | $7,092,047 | $5,948,996 |
| Combined Total of Proposed Reduced Expenditures ($5,948,996) and Increased Revenues ($7,092,047) Due to State Allocation Reductions | | $13,041,043 |
| Appropriation of General Fund - General Reserve | | 351,484 |
| Total | | $13,392,527 |

4. According to the Mayor's September 14, 1990 letter the above expenditure decreases and revenue increases would result in net programmatic reductions as follows:

Department of Public Health

Administration

. Delay hiring Chief Financial Officer, Planning Director, planning staff and Management Information Systems positions.

Environmental Health

. Downgrade three vacant health inspector positions

AIDS

. 12,000 hrs HIV training for mental health professionals
. Delay start-up of 24-hour residence two months
. 70 fewer people/year receiving HIV screening services at Haight-Ashbury

Community Public Health Services

. 4% cut-all contractors
. One nutritionist
. Staff for SF DD Council
. Evening hours at Tom Wadell clinic - 5000 visits per year
. Medication education for 75 seniors/year
. Eldercare case management services for 10 seniors/year
. Bayview Hunters Point ADHC rec counselling hours
. 4 vacant nurse positions
. California Children's Home operating expenses
. Mission Neighborhood Health Center - 500 visits/year
. Haight-Ashbury clinic 800-900 visits/year
. North of Market Senior Services operating expenses
. 1200 sexually transmitted disease and 1900 TB visits

Laguna Honda Hospital

. 2000 Adult Day Health visits/year - 40-50/day
. 8 hospice beds for 120 patients/year
. MIS maintenance funds
. Telephone long distance

San Francisco General Hospital

. 14 patient care and support positions
. 4000 AIDS visits/year of 22,000 total
. Reduce anesthesia registry funds
. Reduce UC merits
. Reduce clinical laboratory
. Reduce UC contract administration
. LVN training
. Reduce psychiatric consultations for medical patients
. Reduce drug costs

Mental Health, Substance Abuse, and Forensics

The Mayor reports that most existing programs will refocus to provide case management and other support services in line with the Division's Strategic Plan. Some programs will be reduced or consolidated with other programs. These service reductions are described in the Mayor's September 14 letter to the Board.

Department of Social Services

Decreased Budget for Salaries

. No service impact, corrects clerical errors which resulted in overbudgeting for salaries

Shelter for Homeless Families

. Opening of 40-bed shelter has been delayed 2 months by difficulty in finding location (Preference is the Mission)

Nurse at Child Protection Center

. No service impact, part of nurse's salary is shifted from general fund to a state grant awarded to San Francisco for services to medically fragile/HIV-Infected infants.

Consultant for Adult Services Staff

. No service impact, deletes approximately 10% of a psychologist's time for case consultation with staff who serve adults in need of protective services. The time isn't used.

Night Differential For Child Welfare Workers

. No service impact, overtime funds to pay social workers who respond to child abuse reports at night are overbudgeted by this amount.

Public Library

. One gardener.

. Fees and fines will be higher.

. Minor salary savings will be imposed.

Fire

. More accurate budgeting of salaries. A clerical error resulted in overbudgeting Uniform salaries and the Fire Department has revised their projection of salary costs for retirements.

Parking and Traffic

. Salary and fringe benefits savings

Electricity

. Increase in revenues and reduction in salaries

Recreation and Parks

. Elimination of 1 custodian position at Civic Center

5. Other proposed revenue and expenditure adjustments are explained as follows:

Public Defender and Adult Probation

The City's Juvenile Justice Program has been funded by the State through an AB90 grant. The State AB90 grant for Juvenile Justice Program has not been included in the City's regular budget, the Annual Appropriation Ordinance.

For 1990-91 the State has reduced their AB90 funding to the City by approximately $800,000. In order to use most of the remaining AB90 grant of $825,746 to continue to fund nonprofit agencies and the Mayor's Criminal Justice Council (at a reduced budget of $170,127, half of the $340,255 budget level for 1989-90), the Mayor proposes adding to the City's General Fund budget two existing Juvenile Justice Program positions into the Public Defender budget and 12 positions into the Adult Probation budget of the Annual Appropriation Ordinance. These 14 positions cost a total of $562,198 at the top step. The General Fund would be budgeted to pay $351,215 of the total annual salary cost and $110,628 for fringe benefits for a total of $461,843 for these 14 positions from the new General Fund revenues also proposed by this legislation. The balance of the salary costs will continue to be paid from AB 90 grant funds.

Municipal Court

Filing Fees Increase (Revenue) $135,000

State law allows the courts to increase filing fees biennially. The next increase will occur on January 1, 1991.

Expenditure Reductions 281,667

Postage needs are down and some equipment items are unnecessary or can be purchased by a lease.

Superior Court

Filing Fees Increase (Revenue) 120,000
Filing fees will increase as of January 1, 1991.

Expenditure Reductions 296,667
The budget for mandated fees paid to court appointed attorneys, interpreters, expert witnesses, psychiatrists, visiting judges and Pro-Tem court reporters is being reduced and some equipment purchases will be deferred.

Municipal Railway (Muni)

New Revenue 2,515,000
Muni reports that new revenues from the sales tax on the recently approved increase in the gasoline tax will provide $6,015,000 to Muni. However, $3,500,000 of that new revenue is being reserved in anticipation of increased fuel costs and reductions in other Federal revenues.

**Comments**

1. The Controller's Office reports that approximately 15 to 20 positions in the Department of Public Health are being defunded but the actual positions are not being deleted from the Annual Salary Ordinance by the proposed legislation. Keeping the defunded positions in the Annual Salary Ordinance is for administrative purposes as requested by the Controller's Office. The Controller recommends that such positions be deleted completely in the 1991-92 annual budget.

2. In addition to the positions that are to be defunded or deleted from the Annual Salary Ordinance as a result of this legislation, the Mayor's Office states that three Criminal Justice planning positions will be eliminated as a result of decreased AB90 funds. Since these positions are grant-funded and not included in the budget, the deletion of such positions are not shown in this legislative package.

3. The Mayor's Office indicates that $1.1 million of the proposed new General Fund revenues will not be appropriated, but will remain in the General Fund - General Reserve for increases in the cost of fuel and lubricants ($0.5 million) and for Senior Citizens Program Fund shortfalls ($0.6 million).

4. The Municipal Court indicates that weekend bail functions that currently cost the Municipal Court approximately $60,000 to $70,000 could be transferred to another department, such as the Sheriff, that already operates all day, everyday. To the extent that the increased cost to the other department for such services is less than the Municipal Court's costs, a net savings is possible. The Sheriff's Office reports that although transferring weekend bail functions to the Sheriff was considered several years ago, such a transfer has not been considered by the Sheriff's Office since that time.

5. The Mayor's Office has analyzed assessing fees for services that were previously State mandated but are optional in 1990-91, as permitted by SB 1333. The Mayor's Office concluded that the net potential revenues, after subtracting the costs of assessing the fees, would not be significant.

6. In the past the State has reimbursed the City for costs of Indigent Defense capital cases that are assigned to San Francisco. Although these costs are no longer reimbursable, the Public Defender's Office has indicated that the State will probably reinstate the provisions necessary to continue to reimburse the City for these costs.

7. The State budget includes provisions whereby counties could levy fees and taxes on cities, schools, unincorporated areas and special districts within counties. It is estimated that the City could recover approximately $900,000 from the Community College District and the San Francisco Unified School District for their pro-rata share of the City's administrative costs for assessing and collecting property tax. However, the Mayor's Office has decided not to pursue such revenues because the districts are also facing severe budgetary problems and would have to reduce services in order to reimburse the City.

Under these same provisions, the City could also charge the Bay Area Rapid Transit District (BART), the Community College District and the Unified School District for their jail booking costs, estimated to be approximately $100,000 annually. The Mayor's Office has declined to recommend such recoveries of costs stating that their estimate of the costs is approximately $25,000 annually, and that after deducting administration costs of such a recovery, the net revenue would not be significant.

8. The proposed adjustments to the Community Mental Health Services (CMHS) budget include both decreases and increases to effect program and policy changes for the delivery of CMHS services. The Legislative Policy Analyst for the Finance Committee of the Board of Supervisors has forwarded a list of questions to CMHS to solicit answers that would define these program and policy changes. As of the writing of this report, the CMHS responses to these questions have not been finalized.

9. The Mayor's proposal to eliminate this General Fund shortfall includes an increase in the annual Business Registration Fee from $75 to $150, estimated to produce an additional $3.7 million annually and an increase in the annual Rent Board Fee from $4 to $8, which is estimated to yield an additional $622,047 annually.

10. As noted above, for 1990-91 the State has reduced their AB90 funding to the City by approximately $800,000. In order to retain the remaining AB90 grant of $825,746 for nonprofit agencies, the Mayor proposes adding to the City's General Fund budget two existing Juvenile Justice Program positions into the Public Defender budget and 12 positions into the Adult Probation budget of the Annual Appropriation Ordinance and pay for these 14 positions from the new General Fund revenues also proposed by this legislation. The General Fund would be budgeted to pay $351,215 of the total annual salary cost and $110,628 for fringe benefits for a total of $461,843 for these 14 positions from the new General Fund revenues also proposed by this legislation. The balance of the salary costs will continue to be paid from AB 90 grant funds.

11. Just prior to the finalization of this report, the Budget Analyst received the attached listing of Public Health, Laguna Honda Hospital, San Francisco General Hospital and Mental Health positions that will be deleted, held vacant for salary savings, downgraded or for which hiring delays will be imposed.

12. In order to offset the State's reductions in various allocations to the City, the Mayor is proposing a combination of increased taxes, reduced expenditures and a reappropriation of the General Fund Reserve, as follows:

| | |
|---|---|
| Revenue Increases | $7,092,047 |
| Expenditure Reductions | 5,948,996 |
| Reappropriated General Fund Reserve | 351,484 |
| Total | $13,392,527 |

The Mayor's Office also projects estimated increased General Fund expenditures resulting from oil price increases in an amount approximating $500,000. However, no specific appropriation for this increased expense is recommended at this time. Should this liability materialize such funds would have to be appropriated from the General Fund Reserve.

13. In addition, of the $5,948,996 in expenditure reductions shown above, approximately $500,000 represents onetime savings through the deferral of equipment purchases, delayed property rental expenses and deferred maintenance of vehicles and equipment. To the extent that such savings do not recur in the future, the City can anticipate the need to reduce expenses and services further beginning in fiscal year 1991-92 in order to balance operating expenditures and operating revenues.

Recommendation

The decision to balance the General Fund budget through the strategy of increasing revenues, decreasing expenditures and appropriating General Fund Reserves in the amounts shown above and reflected in the proposed legislation is a policy matter for the Board of Supervisors.

Source: DPH, Central Office

A Cut Details for Department of Public Health

CENTRAL OFFICE/CPHS (83)

Permanent Position Deletions: (detailed in Ordinance)

| | | |
|---|---|---|
| 2 | - 1404 | Clerk |
| 1 | - 1446 | Secretary II |
| 1 | - 2220 | Physician |
| 1 | - 2593 | HPC III |
| 1 | - 2806 | Disease Control Investigator |
| 4 | - 2830 | PHN |
| 1 | - 2846 | Nutritionist |
| 1 | - 8204 | Inst Police Officer |
| 12 | | |

Permanent Position Adds: (due to clerical error detailed in Ordinance)

1 - 1450 Executive Secretary (BEH)

Downgrades:

| | | | | | |
|---|---|---|---|---|---|
| 3 | - 6120 | Env Hlth Insp | To | 3 - 2588 | HV IV |

Designated Hiring Delays: (not detailed in Ordinance - salary savings)

| | | |
|---|---|---|
| 1 | - 1842 | Manag. Asst |
| 1 | - 1666 | CFO |
| 1 | - 2818 | Health Planner |
| 1 | - 2821 | Div. Planning |

4 - MIS positions

LAGUNA HONDA HOSPITAL (85)

- undetailed increase in salary savings of $200,000 in salary and MFB.

SAN FRANCISCO GENERAL HOSPITAL (86)

Permanent Position Deletions: (detailed in Ordinance)

| | | |
|---|---|---|
| 1 | - 1402 | Junior Clerk |
| 1 | - 1404 | Clerk |
| 1 | - 1424 | Clerk Typist |
| 1 | - 2110 | Medical Rec Clerk |
| 1 | - 2453 | Supervising Pharmacist |
| 1 | - 2230 | Physician Specialist |
| 1 | - 2305 | Psych Tech |
| .5 | - 2323 | Clin Nurse Specialist |
| 7.5 | | |

SFGH cont.

Permanent Positon Deletions: (not detailed in Ordinance - salary savings)

| | | |
|---|---|---|
| .5 | - 2586 | HW II (Methadone) |
| 1 | - 1426 | Sr Clerk (Methadone) |
| 1 | - 2110 | Med Records Clerk (Methadone) |
| 1 | - 2586 | HW II (Methadone) |
| 1 | - 2312 | LVN (Methadone) |
| 4.5 | | |

Permanent Postion Adds: (detailed in Ordinance)

| | | |
|---|---|---|
| .5 | - 2586 | HW II |

Temporary Positions Deleted: (20/20 positions - not detailed)

| | | |
|---|---|---|
| .5 | - 2302 | Orderly |
| 1.5 | - 2312 | LVN |
| .5 | - 2806 | Disease Control Investigator |
| 2.5 | | |

DMSF (87)

Position Deletions: (but not detailed in Ordinance)

| | | | | | |
|---|---|---|---|---|---|
| 1 | - 1406 * | | .5 | - 2932 | |
| 1 | - 1426 | | 1 | - 2574 | |
| 1 | - 2591 | | .11 | - 2230 | |
| 1 | - 1720 | | 1 | - 2323 | * |
| 1 | - 2246 | * | 1 | - 2856 | |
| .5 | - 2248 | | 1 | - 2587 | |
| 1 | - 2250 | | 1 | - 2250 | |
| 2 | - 2248 | | 1 | - 1842 | |
| 1 | - 2593 | | 1 | - 1630 | |
| .5 | - 1930 | | | | |

* October 10 deletion; all others December 1.

9-25-90/1414z

Memo to Finance Committee
September 26, 1990

Item 8 - File 127-90-5.1

1. As a result of the recent impact of State budget reductions on San Francisco, and as a result of various other adjustments, the City is facing a projected budgetary shortfall of $13,745,000 for Fiscal Year 1990-91. To address this shortfall, the Mayor has proposed various revenue increases and spending reductions.

2. The proposed ordinance is one such measure to address the City's Fiscal Year 1990-91 projected budgetary shortfall. The ordinance would amend Part III, Article 12-B, Section 1007 of the San Francisco Municipal Code by increasing the annual Business Tax Registration Fee by $75 to $150, an increase of 100 percent from the present fee of $75. An annual Business Tax Registration Fee of $200 was in effect for Fiscal Year 1989-90 and the current fee of $75 was adopted by the Board of Supervisors for Fiscal Year 1990-91.

3. The proposed ordinance would continue the deletion of Section 1007(d), which had previously permitted businesses to apply the payments for the annual Business Tax Registration Fee as a credit against the annual Gross Receipts/Payroll Taxes owed to the City. Such credits are no longer granted under the existing and proposed legislation.

4. In July of 1988, the Board of Supervisors approved amendments to the City's Municipal Code (File 127-88-1) to require annual renewal of Business Tax Registration Certificates and the annual payment of the then $200 Business Registration Fee. These provisions apply to all businesses operating in the City and County of San Francisco and to all contractors and vendors providing goods or services to the City. In December of 1988, the Board of Supervisors amended the Municipal Code (File 127-88-1.2) to exempt "small businesses" with annual gross receipts of $15,000 or less from the annual Business Tax Registration Fee. This exemption would continue under the proposed ordinance.

5. As indicated above, the annual $200 Reserve Tax Registration Fee was lowered to $75, a decrease of $125 or 62.5 percent for Fiscal Year 1990-91. As previously noted, the proposed ordinance would now increase the fee to $150 for Fiscal Year 1990-91.

Comments

1. The present annual Business Tax Registration Fee of $75 is estimated to generate $3,700,000 in revenue for Fiscal Year 1990-91. It is estimated that the proposed $150 fee would generate $7,400,000 for Fiscal Year 1990-91, or an annual increase of $3,700,000.

2. Mr. Victor Wong of the Tax Collector's Office reports that the Tax Collector's Office has been charging different rates since July 1, 1990 to new businesses that register with the Tax Collector's Office. For example, between July 1 and July 11, 1990, a total of 323 new businesses registered with the Tax Collector's Office and were charged $200 per business. Between July 12 and July 25, 1990, a total of 632 new businesses that registered with the Tax Collector's Office were charged $150 per business. Since July 26, 1990, each new business that registered with the Tax Collector's Office was charged $75. As of September 21, 1990, Mr. Wong reports a total of 1,230 additional businesses have registered at $75 per business. If the proposed ordinance is approved, the Tax Collector's Office reports that they would notify all of the businesses that have paid their annual Business Tax Registration Fee since July 1, 1990 in order to collect the additional required fees or to provide the necessary rebates.

3. Since 1988, when the Board of Supervisors approved the Business Tax Registration Certificates and the $200 Business Tax Registration Fee, Mr. Wong reports that a total of 20,646 new Business Tax Registration Certificates have been issued. During this same time, the Tax Collector's Office has closed out 19,157 backlogged business registration files for businesses that have closed, gone out of business, no longer owe the City taxes, etc. Together, these two efforts have resulted in 1,489 net new business registrations for the City.

## Recommendation

Increasing the annual Business Tax Registration Fee by $75 from $75 to $150 is a policy matter for the Board of Supervisors.

Memo to Finance Committee
September 26, 1990

Item 9 - File 127-90-10

1. The proposed ordinance would amend Part III of the San Francisco Municipal Code by adding Section 502.7 in order to increase the City's Hotel Tax rate by two percent from 11 percent to 13 percent, by imposing a two percent surcharge. The proposed effective date of the two percent surcharge increase is November 1, 1990.

2. Section 502.7 is a proposed new section that would impose an additional two percent (.02) surcharge to the City's Hotel Tax, which is now 11 percent (.11) for a total tax of 13 percent (.13) of the cost of renting a hotel room. All of the proceeds of this proposed additional two percent Hotel Tax surcharge would accrue to the General Fund.

3. The following information was provided by the San Francisco Convention and Visitors Bureau relating to various cities which reported their Hotel Tax rate to the Bureau (these rates were in effect as of September 4, 1990):

| City | Hotel Tax Rate (Percent) |
|---|---|
| New York City | 19.25 + $2/rm. |
| Seattle | 14.1 |
| Houston | 14 |
| Atlanta | 13 |
| Atlantic City | 13 |
| Cleveland | 13 |
| Dallas | 13 |
| Los Angeles | 12.5 |
| Chicago | 12.4 |
| Kansas City | 11.975 |
| Denver | 11.9 |
| Washington, D.C. | 11.7 + $1.50/rm. |
| Anaheim | 11 |
| Miami | 11 |
| New Orleans | 11 |
| Philadelphia | 11 |
| Sacramento | 11 |
| Pasadena | 10.94 |
| Phoenix | 10.25 |
| Detroit | 10 |
| Long Beach | 10 |
| Monterey | 10 |
| Oakland | 10 |
| Orlando | 10 |
| San Jose | 10 |
| San Mateo County | 8-10 |
| Santa Barbara | 10 |
| Boston | 9.75 |
| St. Louis | 9.675 |
| Honolulu | 9 |
| Palm Springs | 9 |
| Pittsburgh | 9 |
| Portland | 9 |
| San Diego | 9 |
| Reno | 8 |
| Las Vegas | 7 |
| San Francisco (existing) | 11 |
| San Francisco (proposed) | 13 |

BOARD OF SUPERVISORS
BUDGET ANALYST

4. The following is an estimate of revenues expected to be generated by the City's Hotel Tax in Fiscal Year 1990-91:

Annual Hotel Tax Revenues

| Hotel Tax from 8 Percent Tax Rate Portion of 11 Percent Existing Tax Rate | | 1990-91 Budget |
|---|---|---|
| Yerba Buena Center Fund 52% | | $25,653,316 |
| War Memorial 10% | | 4,933,330 |
| Low Income Housing Development 6.23% less $60,000 | | 3,013,465 |
| Low Income Housing $100,000 | | 100,000 |
| Candlestick Park Fund 6.23% | | 3,073,465 |
| Publicity and Advertising Fund | | |
| - Recurring Events 16.5% | | 8,138,920 |
| - Non-recurring Events 0.5% | | 246,634 |
| Administration | | 91,338 |
| Balance to General Fund | | 4,081,855 |
| Subtotal from 8 Percent Tax Rate Portion of 11 Percent Existing Tax Rate | | $49,332,323 * |
| **Hotel Tax from 3 Percent Surcharge Tax Rate Portion of 11 Percent Existing Tax Rate** | | |
| Existing General Fund Surcharge (1.75% Rate) | $10,791,670 | |
| Moscone Center Surcharge (1.25% Rate) | 7,708,330 | |
| Subtotal | | $18,500,000 |
| Total Estimated Hotel Tax Revenues Based on City's Existing Hotel Tax Rate of 11 Percent | | $67,832,323 |
| **Proposed Additional Two Percent General Fund Surcharge** | | 8,222,217** |
| **Total Estimated Annual Hotel Tax Revenues if Hotel Tax Rate is Increased by Two Percent from 11 Percent to 13 Percent** | | $76,054,540 |

* Amount of $49,333,300 appropriated.

** Assumes an effective date of November 1, 1990 (8 months for Fiscal Year 1990-91). On an annual basis the additional two percent Hotel Tax surcharge would generate an estimated $12,333,326. Each one percent generates an estimated $6,166,663 annually.

**Comments**

1. Of the $25,653,316 allocated to the Yerba Buena Center Fund, $4,933,232 is budgeted for the expenditures of the San Francisco Convention and Visitors Bureau (10% of the Hotel Tax Revenues excluding surcharges). While presently 52% of the original 8% Hotel Tax rate is allocated for the Yerba Buena Center Fund, a minimum of 50% must be allocated to be in compliance with the bond indentures issued for the construction of the existing Moscone Center.

2. Presently, the Administrative Code of the City allocates 10% of the original 8% Hotel Tax revenues (excluding surcharges), or $4,933,330, to the War Memorial.

3. 6.23% of the original 8% Hotel Tax rate, or $3,073,465, is pledged to the Candlestick Park Fund until the bonds issued for the construction and improvements are repaid. The bonds issued for that purpose mature in 1999.

4. Mr. Victor Wong, of the Tax Collector's Office, reports that December 1, 1990 is the earliest date the increase from 11% to 13% could be made effective and still allow adequate time to notify the hotels to start collecting the tax at the higher rate. Accordingly, the increased revenues would be $7,194,440 for 7 months instead of $8,222,217 for 8 months as shown on the prior page.

**Recommendation**

Approval of the proposed ordinance to provide an additional two percent Hotel Tax surcharge is a policy matter for the Board of Supervisors. If this ordinance is approved, it should be amended to provide for an effective date of December 1, 1990 in lieu of November 1, 1990.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Carol Wilkins
Ted Lakey

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# CALENDAR - [ACTION TAKEN]

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## RECESSED MEETING OF FINANCE COMMITTEE

Board of Supervisors
City and County of San Francisco

THURSDAY, SEPTEMBER 27, 1990 - 3:15 P.M. LEGISLATIVE CHAMBER

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

ABSENT: SUPERVISORS MAHER, HALLINAN

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 9:00 a.m. the date of the meeting.

1. File 100-90-8. Hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health social services and criminal justice departments, as well as the poor and infirmed in our City. (Supervisors Walker, Britt, Hallinan, Alioto, Gonzalez and Ward)

   (Continued from 9/26/90.)

   ACTION: CONTINUED TO RECESSED MEETING ON WEDNESDAY, 10/3/90 AT 2:00 P.M.

2. File 101-90-17. [Government Funding] DRAFT ordinance adjusting revenue and expenditure appropriations for various departments of the general fund, welfare assistance and administration fund, tobacco tax Fund, Rent Arbitration Board fund, work order fund, Municipal Railway operating fund, hospital operating fund and Laguna Honda operating fund, creating 15 positions, deleting 59 positions, reflecting budget adjustments for fiscal year 1990-91 resulting from State budget reductions. (Supervisor Walker presented on behalf of the Mayor)

   (Continued from 9/26/90.)

   ACTION: CONTINUED TO RECESSED MEETING ON WEDNESDAY, 10/3/90 AT 2:00 P.M.

3. File 102-90-4. [Public Employment] DRAFT ordinance amending Ordinance No. 288-90 (Annual Salary Ordinance) reflecting the deletion of fifty-nine positions and addition of fifteen positions at various departments. (Supervisor Walker presented on behalf of the Mayor)

(Continued from 9/26/90.)

ACTION: CONTINUED TO RECESSED MEETING ON WEDNESDAY, 10/3/90 AT 2:00 P.M.

4. File 127-90-5.1. [Business Registration Fee] Ordinance amending Part III, Municipal Code by amending Section 1007 to increase the registration fee from $75 to $150, to provide for uniform expiration date of registration certificates, for uniform application dates and for proration of fees, and clarifying the status of persons who paid or became liable for the calendar year 1990 registration fee required by Section 1007; operative date. (Supervisor Walker presented on behalf of the Mayor)

(Continued from 9/26/90.)

ACTION: CONTINUED TO RECESSED MEETING ON WEDNESDAY, 10/3/90 AT 2:00 P.M.

5. File 127-90-10. [Hotel Occupancy Tax] Ordinance amending Part III, Municipal Code, imposing a tax on the rent for every occupancy of a guest room in a hotel, by adding Section 502.7 which would increase the rate of the hotel occupancy tax from 11 percent to 13 percent, effective November 1, 1990. (Supervisor Hongisto)

(Continued from 9/26/90.)

ACTION: CONTINUED TO RECESSED MEETING ON WEDNESDAY, 10/3/90 AT 2:00 P.M.

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# CALENDAR - ACTIONS TAKEN
## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, OCTOBER 3, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 25-90-23. [Prop J Contract] Resolution concurring with the Controller's certification that vocational and educational counseling services for the Independent Living Skills Project can be practically performed at the Department of Social Services by private contractor for a lower cost than similar work services performed by the City and County employees. (Department of Social Services)

   b) File 25-90-24. [Prop J Contract] Resolution concurring with the Controller's certification that coordination and mentor services for the Independent Living Skills Project can be practically performed at the Department of Social Services by private contractor for a lower cost than similar work services performed by the City and County employees. (Department of Social Services)

   c) File 25-90-25. [Prop J Contract] Resolution approving the Controller's certification that Airport Information Booth Program for San Francisco International Airport can practically be performed by private contractor at a lower cost for this new program than if work were performed by City employees at presently budgeted levels. (Airports Commission)

   d) File 28-90-18. [Emergency Repair] Resolution declaring an emergency to exist requiring the immediate construction of a retaining structure between 7th, 8th, Moraga and Ortega Avenues to stabilize the slope following its failure during the October 1989 earthquake, authorizing the Director of the Department of Public Works to take necessary measures to construct the retaining structure, authorizing the City to accept a license from property owners on the slope for the construction, and authorizing the Director to execute contracts for the construction containing a provision requiring the City to hold contractors harmless from liability during the construction. (Supervisor Nelder)

e) File 146-90-70. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, to apply for, accept and expend a grant of $732,946 from the U.S. Department of Health and Human Services, Health Resource Services Administration, for primary care/addiction treatment linkage services to the residents of San Francisco. (Mayor)

f) File 146-90-72. [Grant - Private Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, to accept and expend a continuation grant of $2,900 from the March of Dimes Foundation, for early intervention training for public health nurses working with pregnant women at risk for substance abuse, for the residents of San Francisco. (Mayor)

g) File 147-90-7. [Grant - Federal Funds] Resolution authorizing the City Librarian to apply for, accept and expend funds not to exceed $140,000 available from the Library Services and Construction Act for Fiscal Year 1990/91. (Public Library)

h) File 147-90-8. [Grant - Federal Funds] Resolution authorizing the City Librarian to apply for, accept and expend funds not to exceed $61,649 available through the California State Library from Title I of the Library Services and Construction Act for major urban resource libraries for Fiscal Year 1990/91. (Public Library)

i) File 172-90-27. [Hold Harmless Agreement] Resolution authorizing the San Francisco Police Department to execute a hold harmless agreement with the U.S. Air Force for the use of Travis Air Force Base to store two (2) Cessna 310's. (Police Commission)

j) File 133-90-1.1. [Release of Funds] Requesting release of reserved funds, Chief Administrative Officer, in an amount totalling $103,178, for consultant costs ($79,978 to Brown, Vence & Associates, for County Source Reduction and Recycling Element Project and $23,200 to Jack Golden, for Recycling School Education Assembly Performances Project). (Chief Administrative Officer)

ACTION: ITEMS 1e, 1i AND 1j SEVERED. REMAINDER OF CONSENT CALENDAR RECOMMENDED.

Item 1e, File 146-90-70. AMENDED TO INCREASE TOTAL AMOUNT OF GRANT TO $772,946. RECOMMENDED AS AMENDED. NEW TITLE: "[Grant - Federal Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, COMMUNITY PUBLIC HEALTH SERVICES, TO APPLY FOR, ACCEPT AND EXPEND A GRANT OF $772,946 FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, HEALTH RESOURCE SERVICES ADMINISTRATION, FOR PRIMARY CARE/ADDICTION TREATMENT LINKAGE SERVICES TO THE RESIDENTS OF SAN FRANCISCO." RECOMMENDED AS AMENDED.

ITEM 1i, File 172-90-27. RECOMMENDED.

ITEM 1j, File 133-90-1.1. HEARING HELD. RELEASE OF $103,178 RECOMMENDED. FILED.

REGULAR CALENDAR

2. File 109-90-5. [Residential Rent Stabilization and Arbitration Fee] Ordinance amending the Administrative Code by amending Section 37A.2 to increase the Residential Unit Fee from $4.00 to $8.00. (Supervisor Walker)

ACTION: RECOMMENDED. (Supervisor Maher dissenting in Committee.)

3. File 127-90-12. [Real Property Transfer Tax Exemption] Ordinance amending Part III of the Municipal Code by amending Article 12C to delete the exemption from the real property transfer tax for assumed indebtedness. (Supervisor Hallinan, Walker)

ACTION: RECOMMENDED. (Supervisor Maher dissenting in Committee.)

4. File 127-89-7. [Event Notification] Ordinance amending Part III, Article 3, San Francisco Municipal Code (Revenue/Business Regulations) by adding Section 251.1 thereto, to require every person, firm or corporation engaged in the business of renting or letting rooms to notify the Tax Collector of the exhibition and sale of goods, wares and merchandise by a transient merchant as defined in Section 251 of this Article. (Supervisor Kennedy)

(Continued from 9/19/90.)

ACTION: RECOMMENDED.

5. File 172-90-26. [Contract] Resolution approving the contract between the City and County of San Francisco, Department of Public Health and Health Management Systems, Inc., to provide electronic claims submission services. (Department of Public Health)

(Continued from 9/26/90.)

ACTION: CONTINUED TO CALL OF THE CHAIR.

6. File 101-88-148.1. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission - Hetch Hetchy, in the amount of $38,383.33 for 1155 Market Street project financial advisors (O'Melveney & Myers). (Public Utilities Commission)

(Continued from 9/26/90.)

ACTION: HEARING HELD. RELEASE OF $38,383.33 RECOMMENDED. FILED.

7. File 118-90-6. [Medical Liens] Ordinance amending Health Code by adding Section 124.5, relating to medical liens on patient third-party claims; amending Section 124 relating to reimbursement for aid granted. (Office of the Treasurer)

ACTION: RECOMMENDED.

8. File 97-90-43. [Hold Harmless Agreement] Ordinance amending Administrative Code, by adding Section 1.37 thereto, authorizing the Health Commission to execute hold harmless agreements with San Mateo County when contracting for certain mental health services. (Department of Public Health)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED. NEW TITLE: "[Hold Harmless Agreement] ORDINANCE AMENDING ADMINISTRATIVE CODE, BY ADDING SECTION 1.38 THERETO, AUTHORIZING THE HEALTH COMMISSION TO EXECUTE HOLD HARMLESS AGREEMENTS WITH SAN MATEO COUNTY WHEN CONTRACTING FOR CERTAIN MENTAL HEALTH SERVICES. RECOMMENDED AS AMENDED.

9. File 97-90-41. [Friends of the Delinquency Prevention Commission Special Fund] Ordinance amending Administrative Code, by adding Section 10.117-104 thereto, establishing a Delinquency Prevention Commission Special Fund to be called the Friends of the Delinquency Prevention Commission for the acceptance and expenditures of monies received to facilitate special programs of the Commission on Delinquency Prevention. (Delinquency Prevention Commission)

   ACTION: AMENDED. (See File to detail.) RECOMMENDED AS AMENDED. NO CHANGE IN TITLE.

10. File 101-90-19. [Government Funding] Ordinance appropriating $226,090 for professional special service contracts (Dispute Resolution Program), permanent salaries, Mayor's Office of Community Development, for Fiscal Year 1990-91. (Supervisor Walker)

    ACTION: RECOMMENDED.

11. File 65-90-6. [Final Environment Impact Report] Resolution adopting Final Environment Impact Report, finding and determining that the underwater world aquarium at Pier 39 project will have a significant impact on the environment, and adopting and incorporating findings of the Final Environmental Impact Report. (companion to File 65-90-6.1.) (Supervisor Maher)

    ACTION: ADD SUPERVISORS ALIOTO, GONZALEZ, HSIEH AND WARD AS CO-SPONSORS. AMENDED. (See File for detail.) RECOMMENDED AS AMENDED. NO CHANGE IN TITLE. (Supervisor Walker dissenting in Committee.)

12. File 65-90-6.1. [Lease of Property] Ordinance approving amendment to lease agreement between Pier 39 Limited Partnership and the City and County of San Francisco, operating by and through the San Francisco Port Commission; adopting findings on mitigation measures and alternative projects; determining to proceed with the project based on implementation of mitigation measures and overriding considerations. (companion to File 65-90-6.) (Supervisor Maher)

    ACTION: ADD SUPERVISORS ALIOTO, GONZALEZ, HSIEH AND WARD AS CO-SPONSORS. AMENDED. (See File for detail.) RECOMMENDED AS AMENDED. NO CHANGE IN TITLE. (Supervisor Walker dissenting in Committee.)

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# CALENDAR

## RECESSED MEETING OF
## FINANCE COMMITTEE

Board of Supervisors
City and County of San Francisco

WEDNESDAY, OCTOBER 3, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 9:00 a.m. the date of the meeting.

1. File 100-90-8. Hearing to consider development of the City's budgetary response to State budget cuts, in particular, as they affect health social services and criminal justice departments, as well as the poor and infirmed in our City. (Supervisors Walker, Britt, Hallinan, Alioto, Gonzalez and Ward)

   (Continued from 9/27/90.)

   ACTION: HEARING HELD. FILED.

2. File 101-90-17. [Government Funding] DRAFT ordinance adjusting revenue and expenditure appropriations for various departments of the general fund, welfare assistance and administration fund, tobacco tax Fund, Rent Arbitration Board fund, work order fund, Municipal Railway operating fund, hospital operating fund and Laguna Honda operating fund, creating 15 positions, deleting 59 positions, reflecting budget adjustments for fiscal year 1990-91 resulting from State budget reductions. (Supervisor Walker presented on behalf of the Mayor)

   (Continued from 9/27/90.)

   ACTION: AMENDMENT OF THE WHOLE ADOPTED AND FURTHER AMENDED. (See File for detail.) NEW TITLE: "[Government Funding] ORDINANCE ADJUSTING REVENUE AND EXPENDITURE APPROPRIATIONS FOR VARIOUS DEPARTMENTS OF THE GENERAL FUND, WELFARE ASSISTANCE AND ADMINISTRATION FUND, TOBACCO TAX FUND, RENT ARBITRATION BOARD FUND, WORK ORDER FUND, MUNICIPAL RAILWAY OPERATING FUND, HOSPITAL OPERATING FUND AND LAGUNA HONDA OPERATING FUND, CREATING SIXTEEN POSITIONS, DELETING NINETEEN POSITIONS, REFLECTING BUDGET ADJUSTMENTS FOR FISCAL YEAR 1990-91 RESULTING FROM STATE BUDGET REDUCTIONS, PLACING ON RESERVE $1,728,631 FOR PERMANENT SALARIES, OVERTIME AND RELATED MANDATORY FRINGE BENEFITS, DEPARTMENT OF PUBLIC HEALTH, COMMUNITY MENTAL HEALTH SERVICES." RECOMMENDED AS AMENDED. (Supervisor Maher dissenting in Committee.)

3. File 102-90-4. [Public Employment] DRAFT ordinance amending Ordinance No. 288-90 (Annual Salary Ordinance) reflecting the deletion of fifty-nine positions and addition of fifteen positions at various departments. (Supervisor Walker presented on behalf of the Mayor)

(Continued from 9/27/90.)

ACTION: AMENDMENT OF THE WHOLE ADOPTED AND FURTHER AMENDED. (See File for detail.) NEW TITLE: [Public Employment] ORDINANCE AMENDING ORDINANCE NO. 288-90 (Annual Salary Ordinance) REFLECTING THE DELETION OF NINETEEN POSITIONS AND THE ADDITION OF SIXTEEN POSITIONS AT VARIOUS DEPARTMENTS." RECOMMENDED AS AMENDED. (Supervisor Maher dissenting in Committee.)

4. File 127-90-5.1. [Business Registration Fee] Ordinance amending Part III, Municipal Code by amending Section 1007 to increase the registration fee from $75 to $150, to provide for uniform expiration date of registration certificates, for uniform application dates and for proration of fees, and clarifying the status of persons who paid or became liable for the calendar year 1990 registration fee required by Section 1007; operative date. (Supervisor Walker presented on behalf of the Mayor)

(Continued from 9/27/90.)

ACTION: RECOMMENDED. (Supervisor Maher dissenting in Committee.)

5. File 127-90-10. [Hotel Occupancy Tax] Ordinance amending Part III, Municipal Code, imposing a tax on the rent for every occupancy of a guest room in a hotel, by adding Section 502.7 which would increase the rate of the hotel occupancy tax from 11 percent to 13 percent, effective November 1, 1990. (Supervisor Hongisto)

(Continued from 9/27/90.)

ACTION: TABLED.

Public Library, Documents Dept.
ATTN: Gerry Roth

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

October 3, 1990

**TO:** Finance Committee

**FROM:** Budget Analyst - Recommendations

**SUBJECT:** October 3, 1990 Finance Committee Meeting

Item 1a - File 25-90-23

**Department:** Department of Social Services

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Vocational and educational services to be provided to approximately 80-100 adolescents (ages 16-19) who are participants in the Independent Living Skills Project. These services include employment and vocational counseling, training to prepare for job application, and assistance in finding internship positions and other job opportunities.

**Description:** The Controller has determined that contracting for these vocational and educational services in fiscal year 1990-91 would result in estimated savings as follows:

| | Lowest Salary Step | Highest Salary Step |
|---|---|---|
| City Operating Service Costs | | |
| Employment and Training Specialist II (1.0 FTE) | $41,496 | $50,336 |
| Fringe Benefits | 11,146 | 13,158 |
| Total | $52,642 | $63,494 |
| Contracted Service Cost | $42,000 | $42,000 |
| Estimated Savings | $10,642 | $21,494 |

**Comments:**

1. The above mentioned services were first certified as required by Charter Section 8.300-1 in September, 1989 and have been provided by an outside contractor since December, 1988.

2. The one-year contract for 1990-91, which expires September 30, 1991, is with Ms. Sherry Tennyson, an independent contractor. The Contracted Service Cost used for the purpose of this analysis is based on the same level of compensation of the 1989-90 contract with Ms. Tennyson.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

Sherry Kennyson

CHARTER 8.300-1 PROPOSITION J QUESTIONNAIRE

Department 45- Social Services For Time Period FY 1990/91

Contract Services Employment andaVocational Services

1. Who performed services prior to contracting out?

   Service contracted out since program established.

2. Number of City employees laid off as result of contracting out?

   None

3. Explain disposition of employees if they were not laid off.

   n/a

4. What percent of a City employee's time is spent on services to be contracted out?

   None

5. How long have the services been contracted out?

   1 year

6. What was the first fiscal year for a Proposition J Certification?

   1989-1990

7. How will contract services meet the goals of your MBE/WBE Action Plan?

   It will conform with the plan. RFQ conducted. Contractor sole respondent.

James Wingate

JAMES WINGATE

Department Representative

557-5585

Telephone Number

(#3021P)

Item 1b - File 25-90-24

**Department:** Department of Social Services

**Item:** Resolution concurring with Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can continue to be practically performed by a private contractor for a lower cost than similar work performed by City employees.

**Services to be Performed:** Coordination and mentor services to be provided to approximately 100 adolescents (ages 16-19) participating in the Independent Living Skills Project. These services include the recruitment and training of adult volunteers to serve as mentors (counselors) to the adolescents and the recruitment and enrollment of the adolescents in various support services (i.e., tutorial and job training).

**Description:** The Controller has determined that contracting for these coordination and mentor services in fiscal year 1990-91 would result in estimated savings as follows:

| | Lowest Salary Step | Highest Salary Step |
|---|---|---|
| City Operating Service Costs | | |
| Sr. Child Welfare Worker (1.0 FTE) | $37,700 | $45,656 |
| Fringe Benefits | 10,284 | 12,094 |
| Total | $47,984 | $57,750 |
| Contracted Service Cost | $42,000 | $42,000 |
| Estimated Savings | $5,984 | $15,750 |

**Comments:**

1. The above mentioned services were first certified as required by Charter Section 8.300-1 in September, 1989 and have been provided by an outside contractor since December, 1988.

2. The one-year contract for 1990-91, which expires September 30, 1991, is with Ms. Kasey Brenner, an independent contractor. The Contracted Service Cost used for the purpose of this analysis is based on the same level of compensation of the 1989-90 contract with Ms. Brenner.

3. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

CHARTER 8.300-1 PROPOSITION J QUESTIONNAIRE

Department 45- Social Services For Time Period FY 1990-91

Contract Services Coordination / Mentor Services

1. Who performed services prior to contracting out?

   Services contracted out since program was established.

2. Number of City employees laid off as result of contracting out?

   None

3. Explain disposition of employees if they were not laid off.

   n/a

4. What percent of a City employee's time is spent on services to be contracted out?

   None

5. How long have the services been contracted out?

   Two years

6. What was the first fiscal year for a Proposition J Certification?

   1989-1990

7. How will contract services meet the goals of your MBE/WBE Action Plan?

   It will conform to plan. RFQ conducted.

Jim Wingate, Contract Manager
Department Representative

557-5585
Telephone Number

(#3021P)

Item 1c - File 25-90-25

**Department:** Airport Commission

**Item:** Resolution approving the Controller's certification that the Airport Information Booth Program for San Francisco International Airport can practicably be performed by private contractor at a lower cost for this new program than if similar work were performed by City employees.

**Services to be Performed:** The proposed Airport Information Booth Program would provide airline passengers with information on ground transportation options to and from San Francisco International Airport. The service would include booths at three locations around the Airport.

The information booths would also provide visitor information on San Francisco for incoming airline passengers. Such visitor information would be coordinated with the San Francisco Convention and Visitors Bureau.

**Description:** The Controller has determined that contracting for these visitor information services in Fiscal 1990-91 would result in estimated savings as follows:

| | Lowest Salary Step | Highest Salary Step |
|---|---|---|
| City Operated Service Cost | | |
| Salaries (16 FT and 1 PT position) | $500,003 | $603,311 |
| Employee benefits | 142,767 | 166,270 |
| Uniform Allowance | 4,500 | 4,500 |
| Subtotal Salaries and Benefits | $647,270 | $774,081 |
| Contracted Service Cost | | |
| Polaris Research and Development | 476,091 | 476,091 |
| Estimated Savings | $171,179 | $297,990 |

**Comments**:

1. The amount of $476,091 for Polaris Research and Development is the estimated amount for personnel costs and is based on a rate of $85.94 per hour of operation. The projected cost of the Program is $750,000, which includes operating costs such as materials and supplies. These costs will be paid by the Airport. Program costs are included in the Airport's 1990-91 budget. This cost analysis also does not include the cost of constructing the booths ($80,000), which would be paid for by the Airport.

2. The term of the contract would be for one year commencing from an expected starting date of October 15, 1990, to October 14, 1991.

3. As required by Charter Section 8.300-1, the Controller has certified that these services can be performed by Polaris Research and Development for a lower cost than if similar work were performed by City employees.

4. The Controller's supplemental questionnaire, as completed by the Department, including the MBE/WBE status of this contract, is attached.

**Recommendation**: Approve the proposed resolution.

CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

epartment SFIA Operations For Time Period October15, 1990/ October 14, 1991

ontract Services Airport Information (AI) Booth Program

1) Who performed services prior to contracting out?
These are new services, approved by the Airports Commission on November 21, 1989, through Resolution #89-0219.

2) Number of City employees laid off as result of contracting out?
None (See #1)

3) Explain disposition of employees if they were not laid off.
N/A (See #1)

4) What percent of a City employee's time is spent on services to be contracted out?
N/A (See #1)

5) How long have the services been contracted out?
This is a new contract

6) What was the first fiscal year for a Proposition J Certification?
Fiscal Year 1990 - 1991

7) How will contract services meet the goals of your MBE/WBE Action Plan?
This contract has been awarded to an MBE firm. It must adhere to the City's non-discrimination ordinance of Chapter 12B and 12C of the San Francisco Administrative Code.

Department Representative
Duke Briscoe, Deputy Director-Operations
Telephone: 876-2112

3219)

Memo to Finance Committee
October 3, 1990

Item 1d - File 28-90-18

**Department:** Department of Public Works (DPW)

**Item:** Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors must be obtained for emergency expenditures in excess of $25,000

**Description:** The hillside near 8th Avenue and Noriega Street experienced ground slippage during the October, 1989 earthquake, causing damage to surrounding buildings. DPW has stated that the soil is unstable and could slip farther causing further damage to existing buildings. The possibility of further slippage has raised concern about the safety of nearby residents and others. For safety reasons, residents of the buildings have temporarily moved out of the area.

DPW has requested approval to use emergency contracting procedures to retain a soils consultant and a design consultant in order to complete the survey and design work as soon as possible. DPW has already retained the soils and design consultants and expects to bid the construction contract in the Spring of 1991. DPW has provided the following information on the soils and design consultant contracts:

| Contractor | Contract Amount | MBE/WBE/LBE Status |
|---|---|---|
| Treadwell and Associates (Soils Contract) | $25,000 | LBE |
| SOH and Associates (Design Contract) | $90,000 | LBE |

The term of each contract is four months.

This resolution would approve the use of emergency procedures for the contracting of the soils and design consultants.

DPW also reports that prospective contractors have been unable to secure liability insurance for the proposed construction of the necessary retaining structure. Therefore, DPW requests authorization to enter into contracts for the construction of the retaining structure, which would hold the consultants and contractors harmless from liability. The hold harmless clause would only be valid to the extent permitted by law for injury to person or property during the construction of the retaining structure.

Part of the proposed retaining structure would be on City property. Upon completion, the City would retain ownership to that portion of the retaining structure on City property. The remaining portion of the retaining structure would be built on privately owned parcels bounded by 7th, 8th, Moraga, and Ortega Avenues. This proposed resolution would also authorize the acceptance of a license from the property owners of those privately owned parcels to enter their property for the construction of the retaining structure.

The State and FEMA have agreed to reimburse the City for the total cost of the project, estimated to be $5 million. The Board of Supervisors previously approved Resolution 553-90 to allocate $100,000 from the Mayor's Earthquake Emergency Relief Fund to use as start-up funding for the project. The Earthquake Emergency Relief Fund would be reimbursed the $100,000 once the City receives the FEMA funds.

**Comment:** Mr. Richard Evans of DPW reports that DPW was unable to begin work on the repair project earlier because of delays in securing the funding from FEMA. DPW requests approval of this emergency resolution to allow use of emergency contracting procedures with respect to the soils and design contracts. As noted above, DPW will formally bid the construction contract, and expects that construction would begin in February or March of 1991, after the rainy season.

**Recommendation:** Approve the proposed resolution.

Item 1e - File 146-90-70

**Department:** Department of Public Health (DPH)
Community Substance Abuse Services

**Item:** Resolution to apply for, accept and expend a continuation of a Federal grant.

**Amount:** $732,946

**Source of Funds:** U.S. Department of Health and Human Services

**Term:** October 1, 1990 through September 30, 1991

**Project:** Primary Care/Addiction Linkage Treatment Services (PALS)

**Description:** The proposed grant would fund the second year of a three year demonstration project to link primary health care to drug treatment and counseling. The intent of the project is to improve the health of persons using intravenous drugs, to lower the prevalence of intravenous drug use in San Francisco and to reduce the spread of HIV infection precipitated by substance abuse. Services would include the expansion of primary care services, the development of substance abuse services for the City-operated Tom Waddell Clinic and contractual services with the Bayview Hunters Point Foundation and the Haight Ashbury Free Medical Clinic. The project also includes in-kind staff services being offered through Larkin Street Youth Center, a non-profit outreach center which also provides medical and counseling services.

The contract with Bayview Hunters Point Foundation would provide for a continuation of expanded staff services to include substance abuse counseling and primary health care and provide two health workers from the Bayview Hunters Point Foundation to be located at the Tom Waddell Clinic. The contract with the Haight Ashbury Free Medical Clinic would continue an educational component to train staff to include substance abuse counseling and primary health care services. The project would also continue to employ two Physicians specializing in psychiatric and substance abuse medicine to train San Francisco health care professionals in addictions and to provide consultation to 20 drug treatment clinics in the City.

The project would also include continuation of a sole source contract with the Institute for Health Policy Studies at UCSF as an evaluation consultant. The Institute for Health Policy Studies (IHPS) at UCSF would continue the contract based on the need for consistency with the prior year's work.

Due to the unique nature of the work of the project, this would also be the second year for sole-source contract awards with the Bayview Hunters Point Foundation and the Haight Ashbury Free Medical Clinic. These two community agencies are uniquely qualified to continue to provide these services because of their extensive experience in providing health care and substance abuse treatment services and by their locations in the community.

**No. of Persons Served:** 250 to 300 persons using intravenous drugs requiring substance abuse counseling and primary medical care.

**Project Budget:** Tom Waddell Clinic

| | | |
|---|---|---|
| Civil Service Salaries (3.42 FTE) | $150,192 | |
| Mandatory Fringe Benefits | 43,556 | |
| Subtotal Civil Service Salaries | | $193,748 |
| Travel- 4 National Conferences @ $1,500 each | $6,000 | |
| Equipment | 4,855 | |
| Medical Supplies | 24,535 | |
| Subtotal Travel, Equipment and Supplies | | 35,390 |
| Contractual Services (detailed below) | | |
| Bayview Hunters Point | $175,026 | |
| Haight Ashbury Free Medical Clinic | 280,006 | |
| UCSF IHPS | 57,792 | |
| Subtotal Contractual | | 512,824 |
| Indirect Costs (@ 20% of Civil Service Salaries, not including Fringe Benefits) | | 30,038 |
| **Total Project Budget** | | **$772,000** |

The budgets for the contractual services are as follows:

Bayview Hunters Point Foundation

| | | |
|---|---|---|
| Personnel(4.0 FTE) | $109,960 | |
| Mandatory Fringe Benefits | 26,720 | |
| Travel | 2,000 | |
| Equipment - 2 Micro Computers and one Printer | 5,593 | |
| Medical/ Pharmaceutical Supplies | 12,000 | |
| Indirect Costs | 18,753 | |
| Total | | $175,026 |

Haight Ashbury Free Medical Clinic

| | | |
|---|---|---|
| Personnel (3.1 FTE) | $172,219 | |
| Mandatory Fringe Benefits 36,166 | | |
| Equipment - 2 Micro Computers and one printer | 5,300 | |
| Medical/ Pharmaceutical Supplies | 14,560 | |
| Office Supplies | 5,720 | |
| Contractual - 4 educational seminars @ $4,010.25 each | 16,041 | |
| Indirect Costs | 30,000 | |
| Total | | $280,006 |

UCSF Institute for Health Policy Studies (IHPS)

| | | |
|---|---|---|
| Personnel (.90 FTE) | $31,060 | |
| Fringe Benefits | 8,386 | |
| Computer Time/ Space Rental | 9,200 | |
| Supplies | 2,400 | |
| Indirect Costs 6,746 | | |
| Total | | $57,792 |
| Total Contractual Services | | $512,824 |

**Indirect Cost Rate:** $30,038, approximately 20 percent of Civil Service Salaries.

**Required Match:** None

**Comments:** 1. Although there is no formal match required by the City, in order to receive the Federal Grant funds, Dr. Sam Ho reports that the City is contributing a total of an additional 0.50 FTE for in-kind services at an estimated total annual cost of $44,784, as follows:

| Civil Service Salaries | FTE | |
|---|---|---|
| DPH Administration | | |
| Dr. Sam Ho Co-Director | 0.10 | $11,051 |
| Dr. Wayne Clark Co-Director | 0.10 | 10,770 |
| Larkin Street Youth Center | | |
| Physician | 0.05 | 4,773 |
| Nurse Practitioner | 0.10 | 8,019 |
| Psychologist | 0.05 | 3,259 |
| Medical Coordinator | 0.10 | 6,912 |
| Total In-kind Services | 0.50 | $44,784 |

2. Mr. Howard Krause of DPH reports that the proposed grant amount of $732,946 includes an initial grant request of $600,000 for 1990-91 plus an additional $132,946 in funds carried forward from 1989-90, for a total 1990-91 grant amount of $732,946. Mr. Krause states that the U.S. Department of Health and Human Services has allowed DPH to carryforward the $132,946 in funds because, due to administrative delays, DPH was unable to expend the total amount of grant funds available for 1989-90. Mr. Krause reports that DPH needs to reapply for these funds. Therefore, the $132,946 carryforward funds are included in the proposed resolution.

3. As noted in the Project Budget above, the total 1990-91 proposed project budget would be $772,000. This amount represents an increase of $39,054 more than the grant amount of $732,946 included in the proposed legislation. Dr. Ho reports that the U.S. Department of Health and Human Services recently notified DPH that the level of funding now available is $772,000 instead of $732,946. Therefore, DPH revised their program budget to reflect the $772,000 in grant funds now available.

4. Attached is the "Health Commission Summary of Grant Request" prepared by the DPH for this Federal grant.

**Recommendations:** 1. Amend the proposed resolution to provide that DPH apply for, accept and expend $772,000 instead of $732,946.

2. Approve the resolution as amended.

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

Grantor HHS -- HRSA
Contact Person Opal McCarthy
Address HHS -- HRSA
Washington, D.C.
Amount Requested $ 772,000
Term: From 10/1/90 To 9/30/91
Health Commission 9/4/90 Board of Supervisors: Finance Committee 10/3/90
Full Board 10/8/90

Division CSAS/CPHS
Section Administration
Contact Person Sam Ho/Wayne Clark
Telephone 554-2620/255-3500
Application Deadline July 13, 1990
Notification Expected September 1990

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 772,000 from the period of 10/1/90 to 9/30/91 to provide primary care linked to substance abuse services.

II. Summary: (Concise/thinner; need addressed; number + groups served; services and providers)
This is the second year of a program that links primary health care with substance abuse programs and services. 250-300 new clients will receive services through the T. Waddell Clinic, Larkin St., Haight Ashbury Free Clinic, and the Bayview Hunter's Point Foundation. Evaluation services are being provided through the U.C. Institute of Health Policy Studies.

III. Outcomes/Objectives:
To improve the health of IV drug users; to lower prevalence of IV drug use; to reduce the spread of HIV infection stemming from IV drug use.

IV. Effects of Reduction or Termination of These Funds:
Reduction or termination of these funds would seriously impair this three-year demonstration project.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | | 600,000 | 772,000 | 172,000 | -0- | |
| Personnel | | 45,278 | 193,748 | 148,470 | | |
| Equipment | | 3,000 | 4,855 | 1,855 | | |
| Contract Svc. | | 316,553 | 512,824 | 196,271 | | |
| Mat. & Supp. | | 24,000 | 24,535 | 535 | | |
| TRAVEL | | 5,000 | 6,000 | 1,000 | | |
| Other Operating | | *132,946 | | (132,946) | | |
| Indirect Costs | | 73,223 | 30,038 | ( 43,185) | | |
| 20% of Personnel | | | | | | |

* this amount carried forward to second year

VI. Data Processing
(costs included above)

VII. Personnel

| | | | | |
|---|---|---|---|---|
| F/T CSC | 3.0 | 3.4 | .4 | |
| P/T CSC | | | | |
| Contractual | 6.5 | 7.9 | 1.4 | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?
There are no plans to retain these grant funded employees.

VIII. Contractual Services: Open Bid _____ Sole Source X (If sole source, attach Request for Exemption Form)

Item 1f - File 146-90-72

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing DPH to apply for, accept and expend a continuation of private grant funds.

**Amount:** $2,900

**Source of Funds:** March of Dimes Foundation

**Grant Period:** July 1, 1990 through June 31, 1991

**Grant Project:** Early Intervention Training for Public Health Nursing Services Working with Pregnant Women At Risk For Substance Abuse.

**Description:** These second year proposed grant funds would be used to develop a model for an existing early intervention program offered through the Department of Public Health. The model would train Public Health Nurses to effectively identify and intervene with high risk low-income women using crack cocaine during and following pregnancy.

The focus of the training and intervention program would be to educate Public Health Nurses to assist low-income women involved in cocaine abuse to improve prenatal health behavior, eliminate or reduce drug abuse, learn parenting and infant care skills and obtain information on economic and social support services. The program goals are to 1) improve the birth outcomes of women who abuse crack cocaine during pregnancy and 2) provide health and psychosocial support to these women to reduce or eliminate their cocaine abuse in order to improve their well being and the long term prognosis of their infants.

The proposed grant funds would provide the contractual services of a Management Consultant to assist in improving management techniques during the program. The program would also require continuation of a second-year sole-source contract with Catalyst Systems for a Program Evaluation Consultant. Catalyst Systems would continue the contract due to the unique research and design analysis necessary to fulfill the program's requirements.

**No. of Persons Served:** 100 low-income women and their families

**Project Budget:**

| | |
|---|---|
| Contractual Services | |
| Program Evaluation Consultant (120 hrs. @ $10/hr.) | $1,200 |
| Management Consultant (24 hrs. @ $50/hr.) | 1,200 |
| Subtotal Contractual | $2,400 |
| Operating Expenses | |
| Educational/ Program Material Development, Supplies and Training | 500 |
| Total Project Budget | $2,900 |

**Required Match:** None

**Comments:**

1. According to Mr. Barouk Golden of DPH, the State budget cuts would not affect this privately funded program. Mr. Golden adds that the March of Dimes has already provided 60 percent of the funds necessary to fulfill the project and the remaining 40 percent would be provided in December 1990.

2. As noted above, there is no formal match required for these grant funds, however, the City would contribute in-kind services totalling $18,600. The in-kind services provided would be $16,800 for a Program Coordinator Nurse Specialist (0.40 FTE from DPH) and $1,800 for a Children's Emergency Social Worker (0.01 FTE from DPH), a Pediatrician (0.01 from SFGH) and a Psychiatric Clinical Nurse Specialist (0.01 from SFGH).

3. Mr. Golden reports that, although this is the last year of the March of Dimes Foundation grant funding, the Public Health Nurses would use the results of this proposed model program to continue serving women using crack cocaine during and following pregnancy, through DPH's existing early intervention program.

4. Additional Federal grant monies would be sought by DPH from the National Center for Nursing Research and the Office of Human Development Services, to fully implement, test and modify the program which could potentially serve as a model for other urban areas. If DPH's application for additional grant funds is successful, additional funding for this program could be made available by June of 1991.

5. Attached is the "Health Commission Summary of Grant Request" prepared by the DPH for this privately funded grant.

**Recommendation:** Approve the proposed resolution.

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90 G

Grantor March of Dimes
Contact Person Gilbert Duritz
Address 150 N. Hill Drive, Suite 14
Brisbane, CA
Amount Requested $ $2,900
Term: From 7/1/90 To 6/30/91
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Division CPHS
Section Public Health Nursing
Contact Person Barouk Golden
Telephone 468-1800
Application Deadline _____
Notification Expected _____

I. Item Description: (Circle appropriate words)
Request to ~~(apply for)~~ (accept and expend) a (new) (continuation) ~~(modification) (augmentation to a)~~ grant in the amount of $ 2,900 from the period of 7/1/90 to 6/30/91 to provide Early Intervention Training for Subs. Abuse in Pregnant women. services.

II. Summary: (Concise/history; need addressed; number + groups served; services and providers)
This is a continuation grant for an early intervention project that will train public health nurses to work effectively with women using crack cocaine, alcohol and other drugs during and following pregnancy.

III. Outcomes/Objectives:
Provide on-going in service consultation and institutionalized standards and culture-sensitive approaches to early intervention and implementation of a pilot in-home program to a target population.

IV. Effects of Reduction or Termination of These Funds:
In-depth training of nurses working with high-risk women will be eliminated.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | *Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | | $2,400 | 2,900 | +500 | | |
| Personnel (tech. assistance | | $1,200 | 1,200 | -0- | | |
| Equipment consulting) | | | | | | |
| •Contract Svc. | | | 1,200 | + 1,200 | | |
| Mat. & Supp. | | $1,200 | 500 | -700. | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | | | | | |
| VI. Data Processing (costs included above) | | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | | | | |
| P/T CSC | | | | | | |
| Contractual | | | | | | |

* in-kind match not required by funder.

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

•VIII. Contractual Services: Open Bid _____ Sole Source X (If sole source, attach Request for Exemption Form)

Item 1g - File 147-90-7

**Department:** San Francisco Public Library

**Item:** Resolution authorizing the City Librarian to apply for, accept and expend Federal grant funds.

**Amount of Grant:** An amount not to exceed $140,000

**Grant Period:** October 1, 1990 through September 30, 1991

**Grant Project:** Recent Immigrant Services (Mission Branch)

**Project Description:** The San Francisco Public Library is planning to use these proposed Federal grant funds to develop, adapt and integrate responsive Library services to Latino, Chinese, and Southeast Asian immigrants who have recently established residence in the Mission District. The proposed services would be aimed primarily at the following:

1. A multilevel outreach program to develop an awareness of Public Library services in the community and to directly introduce recent immigrants to these Public Library services.

2. An expansion of Public Library resources aimed at substantially increasing materials in Spanish and that builds core resource collections in Chinese and Vietnamese.

Other components of the project would include, but not necessarily be limited to, public access to computers in order to narrow the computer literacy gap in low-income immigrant populations; typewriters for public use and Public Library orientations for adult English as a second language and basic education classes.

**Project Budget:**

| | | |
|---|---|---|
| Personnel (2.5 FTE) | $87,984 | |
| Fringe Benefits | 22,876 | |
| Subtotal | | $110,860 |
| Library Materials | | 15,000 |
| Operating Expenses | | 7,000 |
| Indirect Costs | | 7,000 |
| Total | | $139,860 |

**Local Match:** None

**Comments:**

1. The San Francisco Public Library received a grant amount of $202,600 for FY 1989-90, which is 30.9 percent or $62,740 less than the proposed $139,860 budgeted for FY 1990-91.

2. Attached is a Summary of Grant Request as prepared by the San Francisco Public Library for the proposed Federal grant.

**Recommendation:** Approved the proposed resolution.

Attachment.

Item No. _____ [illegible] - Summary of Grant Request

Rev. 4/10/90

Grantor California State Library
Contact Person Jane Hiser
Address Library Development Services
1001 6th St., Sacramento 95814

Division Public Library
Section Branches
Contact Person Neel Parikh
Telephone (415) 431-7479

Amount Requested $ 139,860
Term: From Oct. 1990 To Sept. 1991

Application Deadline Aug. 1, 1990
Notification Expected Sept. 28, 1990

Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

**I. Item Description:** (Check appropriate terms)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 139,860 from the period of Oct. 1990 to Sept. 1991 to provide Recent Immigrant services.

**II. Summary:** (Contact history; need addressed; number + groups served; services and providers)
A special focused community involvement program at the Mission Branch Library. This program will help to create and maintain Mission community coalitions, meet information and library service needs of Latino and Asian communities in the Mission district, and create and maintain in the immigrant community awareness of the library and its services.

**III. Outcomes/Objectives:**
Program objectives are to increase library card applications, visit ESL classes, increase circulation of books in other languages, and increase Spanish language reference questions.

**IV. Effects of Reduction or Termination of These Funds:**
This program is designed to take place for only three years. At the close of the grant period, community contacts and some services will be carried on by existing budgeted staff. Other extra services would be eliminated.

**V. Financial Information:**

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | -0- | $202,600 | $139,860 | - $62,740 | -0- | |
| Personnel | -0- | 95,000 | 110,860 | + 15,860 | -0- | |
| Equipment | -0- | 26,400 | -0- | - 26,400 | -0- | |
| *Contract Svc. | -0- | -0- | -0- | -0- | -0- | |
| Mat. & Supp. | -0- | 32,800 | 7,000 | - 25,800 | -0- | |
| Facilities/Space | -0- | -0- | -0- | -0- | -0- | |
| Other (Library materials) | -0- | 38,500 | 15,000 | - 23,500 | -0- | |
| Indirect Costs | -0- | 9,900 | 7,000 | - 2,900 | | |
| **VI. Data Processing** (attach included above) | -0- | -0- | -0- | -0- | -0- | |
| **VII. Personnel** | | | | | | |
| F/T CSC | | $ 75,950 | $ 88,807 | | | |
| P/T CSC | | 19,050 | 22,053 | | | |
| Contractual | | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
None

Will grant funded employees be retained after this grant terminates? If so, How?
Employees are hired through civil service. They retain seniority and are absorbed by the Library at the end of the grant.

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)

Memo to Finance Committee
October 3, 1990

Item 1h - File 147-90-8

**Department:** San Francisco Public Library

**Item:** Resolution authorizing the City Librarian to apply for, accept and expend continuation Federal grant funds.

**Amount:** $61,649

**Source of Funds:** Federal Title I Librarian Services and Construction Act Funds, through the California State Library

**Grant Period:** October 1, 1990 through September 30, 1991

**Grant Project:** Major Urban Resource Library (MURL)

**Project Description:** The San Francisco Public Library plans to use the proposed Federal grant for the expansion of the City's Library collection in the fields of science, technology and foreign languages. In 1986, the San Francisco Public Library was designated by the Greater Bay Area Major's Urban Resource Libraries as the Bay Area Center for science and technology.

**Grant Budget:** The entire $61,649 budgeted would be used for the acquisition of books and related library materials at the following Library locations:

| | | |
|---|---|---|
| Main Library | | |
| Science/Technology | $28,000 | |
| Literature (Foreign Languages) | 8,000 | |
| Subtotal | | $36,000 |
| Chinatown Branch | | 9,216 |
| Mission Branch | | 5,216 |
| Western Addition Branch | | 2,001 |
| Juvenile Departments (All Libraries) | | 7,216 |
| Richmond Branch | | 2,000 |
| Total | | $61,649 |

**Local Match:** None

**Indirect Costs:** None

**Comments:** 1. The proposed grant amount of $61,649 is the same amount received by the San Francisco Public Library for FY 1989-90.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Attached is a Summary of Grant Request as prepared by the San Francisco Public Library for the proposed Federal grant.

**Recommendation:** Approve the proposed resolution.

Item No. _____ Summary of Grant Request Rev. 4/10/90

U.S. Library Services & Construction Act

Grantor Major Urban Resource Libraries
Contact Person Colin Clark
Address California State Library
Sacramento, California

Division Public Library
Section Office of Adult Services
Contact Person Anne Kincaid
Telephone (415) 558-4514

Amount Requested $ 61,649
Term: From 10/1/90 To 9/30/91

Application Deadline 8/30/90
Notification Expected 9/30/90

~~XXXXX~~ Commission _____ Board of Supervisors: Finance Committee _____
Library Full Board _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a ~~(new)~~ (continuation) ~~(allocation)~~ ~~(augmentation to a)~~ grant in the amount of $ 61,649 from the period of 10/1/90 to 9/30/91 to provide books services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
Major Urban Resource Library funds are awarded to cities with populations of 100,000 or more to purchase books of interest to people in the greater metropolitan area.

III. Outcomes/Objectives:
To purchase added materials in the field of technology as well as books for readers of languages other than English (as per Regional collection development plan).

IV. Effects of Reduction or Termination of These Funds:
Loss of ability to purchase about 4,110 books.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | | | | | | |
| Personnel | | | | | | |
| Equipment/Books | 61,649 | 61,649 | 61,649 | | | |
| *Contract Svc. | | | | | | |
| Mat. & Supp. | | | | | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | | | | | |
| VI. Data Processing (cost included above) | | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | | | | |
| P/T CSC | | | | | | |
| Contractual | | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)

CC

Item 1i - File 172-90-27

**Item:** Resolution authorizing the San Francisco Police Department to execute a hold harmless agreement with the U.S. Air Force for the use of Travis Air Force Base to store two Cessna 310 airplanes.

**Description:** The U.S. Air Force has offered to store two Cessna 310 airplanes at Travis Air Force Base for the Police Department. The Police Department would be allowed to store the two airplanes at Travis Air Force Base, on a temporary basis, at no cost to the City.

Captain John Newlin of the Police Department reports that the Department seized two Cessna 310 airplanes in a drug-related case approximately four months ago. Captain Newlin advises that the Department had no place to properly store the airplanes and therefore requested the U.S. Air Force to provide storage space at Travis Air Force Base. The two airplanes have been stored at Travis since the initial seizure, approximately four months ago.

In order for the Police Department to continue to use Travis Air Force Base for the purpose of storing the two airplanes, the U.S. Air Force is requesting that the City execute a hold harmless agreement. The proposed hold harmless agreement would provide the following:

1. The Police Department would release the United States, its agencies, and its personnel, from any liability, pertaining to the two Cessna airplanes, arising out of the use of the airfield at Travis Air Force Base.

2. The Police Department would be responsible for defending against, paying or settling any claim or suit against the United States, its agencies and its personnel, brought by agents or personnel of the Police Department, arising out of the use of the airfield.

3. The Police Department would hold the United States, its agencies and personnel, harmless against any claim or suit, including attorney fees, costs and expenses arising out of the use of the airfield.

The exception to the above clauses, would be in the case of death, injury, loss or damage to persons or property which resulted from the willful negligence of personnel employed by the U. S. Government.

**Comments:**

1. Captain Newlin reports that the two airplanes would remain at Travis Air Force Base, until the judicial procedures in connection with the drug case have been settled. According to Captain Newlin, it could take up to two years for the judicial determination to be made as to whether or not the owners of the two Cessna 310 airplanes will be required to forfeit this property. Captain Newlin advises that if the owners are required to forfeit the airplanes they would legally become the property of the City, and the Police Department would then offer the airplanes at public auction.

2. Ms. Mora Rosales of the City Attorney's Office reports that the hold harmless agreement has been reviewed and approved as to form, and that it is reasonable for the U.S. Air Force to expect that the City should enter into this agreement.

**Recommendation:** Approval of the proposed hold harmless agreement is a policy matter for the Board of Supervisors.

Item 1j - File 133-90-1.1

**Department:** Chief Administrative Officer
Solid Waste Management Program

**Item:** Release of reserve on funds previously approved (File 133-90-1) by the Board of Supervisors for outside consultant services in the 1990-91 budget for the Solid Waste Management Program. The funds were reserved pending selection of the consultants and submission of information to the Finance Committee regarding estimated hours, hourly rates and MBE/WBE status.

**Amount:** $103,178

**Description:** The Board of Supervisors previously approved and reserved a total of $325,000 for consultants to perform the Recycling Program, Hazardous Waste Management Programs and Solid Waste Management Planning components of the 1990-91 Solid Waste Management Program. The proposed release of reserve on funds totalling $103,178 would provide for the following:

| Program | Project | Total Reserved | Consultant Selected | Amount |
|---|---|---|---|---|
| Recycling Program | School Assembly Performances | $25,000 | Jack Golden | $23,200 |
| Solid Waste Management Planning | County Reduction and Recycling Plan | 120,000 | Brown, Vence and Associates | 79,978 |
| Total Proposed Release of Reserve | | | | $103,178 |

The two consultants were selected by a Request For Proposal (RFP) process in conformance with Human Rights Commission (HRC) requirements. Approximately 20 RFP packages were distributed for the Recycling Program and approximately 25 for the Solid Waste Management Planning consulting. Seven responsive proposals were received for Recycling and five for Solid Waste Management.

Jack Golden will receive $350 for each of approximately fifty 30-minute performances given at local school assemblies (approximately $17,500 is total for these performances) and the balance of the consulting contract amount (approximately $5,700) is for travel and lodging.

The hours and rates for the Brown, Vence and Associates consulting contract are as follows:

| Classification | Average Hourly Rate | Contracted Hours | Charges |
|---|---|---|---|
| Senior Principal | $125.00 | 32 | $4,000 |
| Principal | 105.00 | 67 | 7,035 |
| Senior Associate | 81.41 | 224 | 18,236 |
| Associate II | 66.62 | 254 | 16,922 |
| Associate I | 52.00 | 54 | 2,808 |
| Engineering Planner | 44.31 | 260 | 11,520 |
| Graphics Technician | 65.00 | 64 | 4,160 |
| Word Processing Operator | 55.00 | 95 | 5,225 |
| Editor | 57.00 | 52 | 2,964 |
| Total | $66.13 | 1,102 | $72,870 |

In addition to $72,870 for professional personnel costs, Brown, Vence and Associates is incurring subcontractor costs of $4,072 and operating expenses of $3,036 for a total contract cost of $79,978.

Neither Jack Golden nor Brown, Vence and Associates is a MBE or WBE.

**Comment:** As previously noted, the total for both contracts is $103,178 including $23,200 for Jack Golden and $79,978 for Brown, Vence and Associates.

**Recommendation:** Release the reserve on $103,178 for outside consultant services as requested and continue the reserve on the $221,822 balance ($325,000 less $103,178).

Item 2 - File 109-90-5

1. As a result of the recent impact of State budget reductions on San Francisco, and as a result of various other adjustments, the City is facing a projected budgetary shortfall of $13,745,000 for Fiscal Year 1990-91. To address this shortfall, the Mayor has proposed various revenue increases and spending reductions.

2. The proposed ordinance is one such measure to address the City's Fiscal Year 1990-91 projected budgetary shortfall. The ordinance would amend Section 37A.2 of the Administrative Code related to the Residential Rent Stabilization and Arbitration Fee (Rent Board Fee) Ordinance by increasing the annual Rent Board Fee by $4.00 to a maximum of $8.00 per residential unit, an increase of 100 percent from the present maximum fee of $4.00. This Rent Board Fee was imposed at the maximum level of $8.00 in Fiscal Year 1989-90 and was reduced to a maximum of $4.00 for Fiscal Year 1990-91.

3. According to the proposed ordinance, the fee for each residential unit shall equal the projected annual cost of funding the Rent Board plus related administrative costs pursuant to Section 10.194 of the Administrative Code, which includes, but is not limited to the Tax Collector and Controller divided by the total number of residential units estimated to pay the fee minus any balance remaining in the fund. As stated in the proposed ordinance, in calculating the fee, the Controller shall round up any fraction of a dollar to the next whole dollar, provided that the fee does not exceed the proposed $8.00 per residential unit fee. For purposes of the calculation, a guest room shall be counted as one-half of a residential unit and shall be charged half the fee.

4. Under the existing Rent Board ordinance, residential units do not include the following: owner occupied units, owner occupied buildings containing four units or less, guest rooms, dwelling units in non-profit cooperatives, hospitals, convents or extended care facilities, non-profit homes for the aged or educational institutions.

Comments

1. Under the City's existing ordinance, the landlord may recover the Rent Board Fee from the tenants by either:

(a) deducting the fee from the next interest payment owed on the tenant's security deposit, by providing written notice of the deduction and purpose at the time the interest payment is due; or

(b) billing the tenant directly for the fee, stating the amount for each unit, that the purpose is to fund the Rent Board and related administrative costs and that the fee is due and payable within 30 days of the date of the bill.

2. Chapter 49 of the Administrative Code specifies that a landlord must pay at least five percent simple interest per year on all security deposits held for at least one year for tenants. Therefore, under the existing ordinance, the landlord could deduct the annual fee from the amount owed. The owner, however, is liable for payment of the fee to the Tax Collector whether or not the owner recovers the fee amount from the tenant. The owner may seek recovery of the fee from the tenant of each residential unit who occupies the unit on November 1. However, the fees are due from the owner by October 1.

3. The account is considered delinquent if the full payment is not received by the Tax Collector's Office within 60 days. After the account is considered delinquent, the Tax Collector sends an additional request for payment, advising the recipient that if the payment is not received within another 30 days, a 25 percent penalty will be added, plus an interest charge of 1.5 percent monthly. After these notices of fees and penalties, the Board of Supervisors, in a noticed public hearing, can then add a $49 charge for the Tax Collector and record a lien for the entire unpaid balance, including penalties and interest against the owner's real property.

4. As previously noted, for Fiscal Year 1989-90, the Board of Supervisors had approved an annual maximum Rent Board Fee of $8.00. Based on the annual operating and administrative costs of the Rent Board, an $8.00 per residential unit was imposed in Fiscal Year 1989-90. This $8.00 fee generated revenues of approximately $1.2 million to cover the costs of the Rent Board's Fiscal Year 1989-90 budget of approximately $1.2 million.

5. For Fiscal Year 1990-91, the Board of Supervisors adopted a maximum $4.00 Rent Board Fee, estimated to generate $650,000 to pay for approximately 46 percent of the Rent Board's 1990-91 budget of $1,412,864. The proposed Rent Board Fee increase of $4.00 would generate additional estimated revenues of $650,000 for Fiscal Year 1990-91, resulting in total estimated revenues of $1,300,000 based on an $8.00 fee. The Rent Board's operating budget for Fiscal Year 1990-91 is $1,412,864, which includes the Tax Collector's administrative costs to collect the Rent Board fee, which is approximately $100,000 greater than the estimated revenues of $1,300,000. Therefore, it is likely that if the proposed maximum fee of $8.00 were approved, the maximum fee of $8.00 would be imposed for Fiscal Year 1990-91.

## Recommendation

Approval of a $4.00 Rent Board Fee increase, from a maximum of $4.00 to a maximum of $8.00, is a policy matter for the Board of Supervisors.

Item 3 - File 127-90-12

The proposed ordinance would amend Part III of the Municipal Code by amending Article 12C to delete the exemption from the real property transfer tax for assumed indebtedness.

Part III, Article 12C, Section 1102 of the City's Municipal Code currently states that for each deed for which any land or other property sold within the City and County of San Francisco is transferred or otherwise conveyed to any other person or persons, when the value of the interest or property conveyed exceeds $100, a tax at the rate of $2.50 for each $500 or fraction thereof shall be imposed. This tax is referred to as the real property transfer tax. The existing real property transfer tax provisions also exclude the value of any lien or encumbrance remaining at the time of the sale from the $2.50 for each $500 of value if the buyer purchases the property and assumes the seller's existing financing.

The proposed ordinance would delete the City's existing provision which excludes the value of any lien or encumbrance remaining at the time of the sale from the real property transfer tax if the buyer purchases the property and assumes the seller's existing financing. The proposed ordinance would not change the current real property transfer tax rate of $2.50 for each $500 of value.

Comments

1. The exclusion of the value of any lien or encumbrance remaining at the time of the sale, which is the case under the existing ordinance, means that if a buyer purchases property and assumes the seller's existing financing, then the amount assumed is not subject to the City's real property transfer tax. For example, as shown in the chart below, if a buyer purchases a $300,000 home, and has an equity of $60,000, and assumes the seller's existing financing of $240,000, then the amount of real property transfer tax owed to the City based on the existing exemption provisions and rate of $2.50 per $500 of value would be $300 ($2.50 per $500 x $60,000). Under the proposed ordinance, using the same $300,000 home example, in which the existing lien (mortgage) or encumbrance is assumed, the house would be taxed under the same rate of $2.50 per $500 of value and the amount of real property transfer tax owed to the City would be $1,500 ($2.50 per $500 x $300,000). Using this example, the real property transfer tax would increase from $300 to $1,500, an increase of $1,200, or a 400 percent increase.

| | Existing | Proposed |
|---|---|---|
| Purchase Price | $300,000 | $300,000 |
| 20 % Equity | 60,000 | 60,000 |
| Assumption of Financing | 240,000 | 240,000 |
| Property Value for Transfer Tax | $60,000 | $300,000 |
| Transfer Tax Rate Per $500 | 2.50 | 2.50 |
| Property Transfer Tax Owed | 300 | 1,500 |

2. If a buyer does not assume the seller's existing financing and secures new financing to purchase property, then under both the existing and the proposed legislation, the full sales price value of the property is used to determine the City's real property transfer tax. The proposed legislation would have no affect in those cases, and therefore the transfer tax would remain the same.

3. In the 1990-91 Annual Appropriation Ordinance, the current real property transfer tax is estimated to generate $21 million of revenue for the City. Based on recent data collected by the Mayor's Office of Housing, if the current exemption for assumed indebtedness were deleted from the Municipal Code, with no increase in the real property transfer tax rate, it is estimated that the real property transfer tax revenues would increase by approximately 15 percent, or approximately $3.15 million on an annualized basis. However, since it is no longer possible to implement the proposed legislation by July 1, the actual revenues to be generated would be less, depending upon when the legislation were approved.

4. Discussions with the City Attorney's Office and the Controller's Office indicate that increases in the City of Oakland's property transfer tax have resulted in a lawsuit concerning the legality of such increases given the provisions established in the State's Proposition 13. However, Mr. Buck Delventhal of the City Attorney's Office reports that the Appellate Court has recently upheld the City of Oakland's increases in their transfer tax. Mr. Sam Yockey of the Controller's Office reports that based on discussions with the City Attorney's Office regarding this issue, the Controller's Office would be able to certify available funds for fiscal year 1990-91.

5. However, due to the recent slowdown in the economy and the related real estate market, Mr. Sam Yockey reports that the Controller's Office would certify a more conservative $1.2 million for the next six month period, if the proposed ordinance is approved. The Controller's certification would represent approximately $200,000 per month of additional revenue from the proposed elimination of the exemption for assumed indebtedness.

6. Based on a recent Mayor's Office of Housing analyses of all transfers recorded in the Recorders Office between April and June, 1990, elimination of the exemption granted for assumed indebtedness would not have a significant effect on most smaller residential sales. Based on discussions with the Mayor's Office of Housing, of the exemptions surveyed, only an estimated six percent were for single family, duplex and triplex residential resales while the remaining 94 percent were for large apartment and commercial sales.

7. A survey conducted by the Recorder's Office of property transfer taxes charged in neighboring San Francisco Bay Area communities found that all counties in California charge a rate of $1.10 per $1,000 of property value ($0.55 per $500) and have a provision for the exemption of liens and encumbrances, or assumed indebtedness. Within each county, chartered cities may charge an additional property transfer tax. However, all of the Bay Area cities that charge additional transfer taxes do not have an exemption for liens and encumbrances and therefore these cities base their additional city transfer tax on the full value of the property as is being proposed in this legislation.

8. Mr. Jamison of the Recorders Office reports that the general practice in San Francisco is for the seller to pay the real property transfer tax. However, there is no legal requirement that the seller must pay the tax and the payment of the transfer tax can be negotiated between the seller and buyer during the purchase of the property. According to Mr. Jamison, both the buyer and the seller are legally liable for payment of the property transfer tax.

9. Based on discussions with Mr. Jamison, if the proposed ordinance is approved, consideration should be given to delaying the effective date of the legislation for 30 days to provide adequate notice to all real estate companies and title companies of the changes in the City's transfer tax rate. Providing such time will enable properties that have not entered escrow to include sufficient funds to pay the new taxes.

10. If approved, State Proposition 136, which is on the November, 6, 1990 ballot, would prohibit the City from increasing the transfer tax rates. Specifically, State Proposition 136 provides that in keeping with the spirit of Proposition 13, except as provided in Article XIII A, Sections 1 and 2 of the California Constitution, no new ad valorem taxes on real property or sales or transaction taxes (i.e., real property transfer taxes) may be imposed. If the proposed Proposition 136 is approved by the voters, no new transfer taxes could be imposed after the November, 1990 election.

Recommendation

Approval of the proposed ordinance to delete the exemption for assumed indebtedness from the real property transfer tax is a policy matter for the Board of Supervisors.

Item 4 - File 127-89-7

**Note:** This item was continued at the September 19, 1990 meeting of the Finance Committee. On August 6, 1990, substitute legislation was introduced to the Board of Supervisors. The following report addresses the substitute legislation.

1. The proposed ordinance would amend Part III, Article 3 of the San Francisco Municipal Code (Revenue/Business Regulations) by adding Section 251.1 to require individuals or businesses that knowingly rent out a room or other enclosed space to transient merchants to notify the Tax Collector of the renting. A transient merchant is any person or firm that engages in a temporary business in San Francisco of selling merchandise, other than food or food products, and that rents a hall in a hotel or other enclosed space to exhibit and sell the merchandise.

2. The proposed ordinance would require notification to the Tax Collector within ten days prior to the exhibition and sale of merchandise or within ten days of registering to rent the space. For the purposes of this section, a transient merchant would not include an exhibitor at a conference or convention. The proposed ordinance provides that the Tax Collector shall establish the rules and regulations and notification forms for administering the proposed ordinance, and shall notify the public and allow a 30-day comment period prior to issuing or changing the rules and regulations.

3. Under the proposed ordinance as amended, neither civil nor criminal penalties would apply to companies violating the provisions of the proposed ordinance. Prior versions of the proposed ordinance included civil penalties of 25 percent of the merchant's gross sales or $500, whichever was greater. The penalties were deleted from the legislation in response to the Tax Collector's concerns that the ordinance would be difficult to enforce. The proposed ordinance, as amended, would also provide that the Tax Collector may seek court orders as necessary to obtain information on rentals to transient merchants.

4. Currently, Part III, Article 3 of the Municipal Code requires transient merchants operating in the City to obtain a license from the Tax Collector. The license is issued on a quarterly basis and costs a minimum quarterly fee of $500 plus ten percent of gross receipts in excess of $5,000 from sales made during the quarter. The transient merchant is also required to file a $5,000 bond with the Tax Collector before a license may be issued. Violation of these provisions are punishable by a fine of up to $500 and up to six months in jail.

Comments

1. The proposed ordinance would pertain to the person or business renting out space to a transient merchant, rather than the transient merchant. According to Ms. Anita Jin of the Tax Collector's Office, the existing transient merchant provisions are difficult to enforce because transient merchants oftentimes come from out of State, sell merchandise for one weekend, and then leave the State, without obtaining a transient merchant license. Ms. Jin indicates that the Tax Collector's Office cannot determine the amount of sales by transient merchants that occur without the proper license. Ms. Jin states that the proposed ordinance would assist the City in enforcing the transient merchant licensing requirements, and therefore should result in increased revenues to the City through the collection of additional license fees. According to Ms. Jin, the additional costs to administer the proposed ordinance and the resulting additional revenues to be collected from license fees are indeterminable at this time and would depend on the number of transient merchant sales that would be reported.

2. Ms. Jin reports that in FY 1989-90, the Tax Collector collected $2,000 from transient merchant license fees.

3. Mr. Richard Sullivan of the Tax Collector's Office indicates that the Tax Collector's Office would notify businesses of the new law, if approved, by sending notices to the Convention and Visitor's Bureau and to hotel operators listed on the Tax Collector's hotel tax rolls, as well as other methods.

4. At the Finance Committee meeting of September 19, 1990, an Amendment of the Whole was approved to incorporate additional concerns of the Tax Collector. The specific changes reflected in the Amendment of the Whole are as follows:

- Paragraph (b): Deletion of the clause that neither civil nor criminal penalties shall be applicable to companies violating the provisions of the proposed ordinance. However, the Tax Collector would still be able to seek court orders as necessary to obtain information on rentals to transient merchants. Mr. Thad Brown, Tax Collector, states that this amendment would strengthen the language of the legislation to encourage businesses to assist the Tax Collector in carrying out the proposed ordinance.

- Paragraph (c): Rather than stating that the Tax Collector *shall* establish rules and regulations, the legislation as amended would state that the Tax Collector *may* establish rules and regulations.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 5 - File 172-90-26

**Note:** This item was continued by the Finance Committee at its meeting of September 26, 1990

**Department:** Department of Public Health (DPH)
San Francisco General Hospital (SFGH)

**Item:** Resolution approving a contract between the City and County of San Francisco and Health Management Systems, Inc.

**Contract Amount:** City's cost would not exceed 12.5 percent of revenues collected with the total dollar amount not to exceed $1.5 million annually.

**Term of Contract:** The effective date of this agreement would be when the Controller has certified the availability of funds and the contractor has been notified in writing of the certification. Health Management Systems, Inc. would have four month's from the date of the notification to install the electronic claims system and 36 months from the time the system is installed to perform the professional services.

**Description:** The Department of Public Health is proposing to contract with Health Management Systems, Inc. for the provision of Comprehensive Account Management Services (CAMS), a computer-based system of services designed to reduce the costs and facilitate the process by which a hospital generates billings and receives payments from its third-party intermediaries. The DPH is proposing to install this computer-based system at San Francisco General Hospital.

Under the provisions of the contract, Health Management Systems Inc. would be responsible for the installation of the CAMS computer hardware, on-site training of SFGH staff and coordinating the CAMS interface with SFGH's Management Information Systems (MIS). Once CAMS has been implemented, Health Management Systems, Inc. would provide on-site support staff at SFGH, as necessary to answer questions, provide ongoing staff training and resolve problems.

The CAMS system would process the following types of claims:

(1) Inpatient and outpatient Medi-Cal claims.

(2) Inpatient and outpatient Medicare claims, including psychiatric claims.

(3) Inpatient and outpatient insurance claims to all carriers who accept electronic media claims.

(4) Outpatient Child Health Development (CHDP) claims.

(5) Medi-Cal outpatient Pharmacy claims.

(6) Automated Doctors First Report of Injury forms for California Workers Compensation accounts.

(7) Health Care Financing Administration (HCFA) 1500 Part B claims.

In addition to processing claims, the CAMS system would provide the following types of reports:

(1) Monthly Production Reports, indicating number of paid and denied claims by financial category.

(2) Reports on account age, by financial category and biller assignment.

(3) Daily log of claim prebilling edit failures by financial class (to facilitate on-line editing, to identify account errors and correct accounts before claims are created and submitted to intermediaries).

(4) Daily Rejection Reports detailing reason for claims rejection.

(5) Monthly Management Summaries (i.e., report of total accounts processed, claims billed and paid and, report of accounts receivable balances by financial class.

**Comments:**

1. The SFGH's Billing Office is divided into two major units: Patient Accounting and Credit/Collections and Accounts Receivable Reconciliation. The Billing Office handles approximately 234,200 claims per year. The Department collected an estimated $80,001,501 in FY 1989-90 in the following categories:

| | |
|---|---|
| Medicare Inpatient* | $17,908,117 |
| Medicare Outpatient* | 3,115,895 |
| Medi-Cal Inpatient * | 26,466,117 |
| Medi-Cal Outpatient* | 5,306,944 |
| Patient Pay | 8,518,586 |
| Insurance* | 12,619,074 |
| Ambulance | 6,400,342 |
| Other Cash | 3,379,681 |
| Medicare Withholds | -3,713,255 |
| Total | $80,001,501 |

* These categories of claims would be processed through the proposed CAMS system. The total estimated amount collected for these claims is $65,416,147.

2. SFGH currently utilizes a Blue Cross system known as Direct Data Entry (DDE) for submission of Medicare and Blue Cross private insurance. This system transmits claim data via telephone lines and requires a biller to enter all of the claims data on a computer. SFGH leases five IBM terminals from Blue Cross for this system at a cost of $11,400 per year.

3. SFGH processes all inpatient Medi-Cal and all other commercial insurance claims manually. Ms. Sharon Kennison of SFGH advises that the manual processing of these claims is very labor intensive. The staff in the Billing Office's Patient Accounting are primarily engaged in the processing of approximately 20,000 paper claims a month, which involves reviewing, correcting, editing and sending the claims. The Medi-Cal and Medicare billing staff are also responsible for followup on their claims, correcting rejects and denials whenever possible. According to Ms. Kennison, the majority of their work day is spent at a typewriter making manual adjustments and corrections to their claims. The billing staff responsible for commercial insurance claims prepare and send their claims and then forward them to the Credit/Collections unit for follow-up. The Collectors in the Credit/Collections unit, are responsible for (1) follow up on all commercial insurance billings; (2) answering inquiries and requests for records and information; (3) making collection calls to patients and other payors; (4) interviewing patients; (5) negotiating payment plans and keeping track of the outstanding balance and (6) referring delinquent bails to the City's Collection Division when appropriate.

4. SFGH reports that over the last ten years, claims processing entities for the hospital industry have moved significantly away from accepting manually prepared claims for payment. Ms. Sharon Kennison of SFGH advises that over 80 percent of all California hospitals now use some form of electronic claims submission processing and that SFGH is probably, the only hospital in the State with similar patient volumes, that still submits manually prepared claims to the Medi-Cal program. Ms. Kennison adds that Medi-Cal is moving towards no longer accepting manually prepared claims from hospitals with high patient volumes.

5. Ms. Kennison reports that the installation and ongoing management of the CAMS system would not require that any new staff be hired at SFGH. The contract provides that Health Management Systems Inc., would fund installation costs, in an amount that would not exceed an estimated $100,000 for wiring and site preparation. According to Ms. Kennison, the $100,000 estimate was based on a preliminary estimate which took into consideration projected costs for the necessary installation as well as costs for contingencies. Ms. Kennison advises that in the interim since the original estimate was made, the SFGH's Building Maintenance and Grounds Department, which will perform the necessary work, estimates a minimum cost of $12,000 to a maximum cost of $33,000 . Therefore, according to Ms. Kennison, the estimated $100,000 would be more than sufficient to cover all actual costs for installation.

6. Health Management Systems, Inc. would provide and install 35 personal computers and related hardware and workstations. During the term of contract, Health Management Systems, Inc. would be responsible for the maintenance, repairs, replacement and insurance covering liability, damage and theft for this equipment. At the expiration of the contract, all computer equipment would become the property of the City and the City would assume sole responsibility for maintaining and insuring the equipment. Ms. Kennison reports that the potential cost to the City for maintaining and insuring this equipment has not, as yet, been determined.

7. The following unaudited figures provided by Ms. Kennison outline SFGH volume of claims associated with third-party intermediaries and the volume of potential and actual collections from these third-party intermediaries for FY 1989-90:

| Claims Type | Estimated Annual Volume | Estimated Potential Collections | Estimated Denied or Rejected Claims | Estimated Actual Collections |
|---|---|---|---|---|
| Medi-Cal Outpatient | 48,000 | $5,961,944 | $655,000 | $ 5,306,944 |
| Medicare Outpatient | 24,000 | 3,180,895 | 65,000 | 3,115,895 |
| Medi-Cal Inpatient | 9,000 | 27,523,167 | 1,057,050 | 26,466,117 |
| Medicare Inpatient | 3,000 | 17,908,117 | None | 17,908,117 |
| Insurance Outpatient/ Inpatient | 16,000 | 12,694,074 | 75,000 | 12,619,074 |
| Total | 100,000 | $67,268,197 | $1,852,050 | $65,416,147 |

8. SFGH anticipates that the CAMS system would reduce all denied or rejected claims by 50 percent once the system is in place. Follow up and resubmission of denied or rejected claims should take no more than five days to resubmit. Ms. Kennison reports that generally claims are denied or rejected due to either erroneous information or missing information on the claim form. In addition, the State rejects certain Medi-Cal claims because the occular readers (viewing devices used to read the information on claim forms) have difficulty reading manually prepared claims.

9. In addition, SFGH anticipates that the CAMS system would provide a faster overall turnaround in accounts receivables. Currently, Medi-Cal inpatient days in accounts receivable average 115 days from discharge. SFGH expects that the CAMS system would reduce Medi-Cal days in accounts receivable to 60 days from the date billed, a reduction of 55 days. Medicare inpatient days in accounts receivable currently average 88 days from the date billed. SFGH expects that the CAMS system would reduce Medicare days in accounts receivable to between 45 to 60 days from the date billed a reduction of between 28 and 43 days.

10. Ms. Kennison states that although faster cash turn around does not mean more cash for the hospital, maintaining a steady cash flow to SFGH is important because when there is a slow down in incoming cash, the Controller's Office places reserves against SFGH expenditures. According to Ms. Kennison, this results in SFGH not being able to pay its bills on a timely basis. Ms. Kennison advises that not only does this adversely affect vendors and SFGH's credit rating, but SFGH also loses discounts offered to the Department by vendors for timely payments and SFGH must sometimes purchase goods at higher prices when preferred vendors put the Department on credit holds.

11. SFGH also anticipates that the CAMS system would result in lower error rates and fewer lost claims, less need for space to store thousands of copies of manually prepared claims, savings in postage, courier services and paper costs and a reallocation of existing personnel to more efficient and productive revenue generating tasks. This would primarily involve switching staff from manual claims processing tasks to computer claims processing tasks. Ms. Kennison estimates, based on current expenditures, that savings on postage, courier services and paper would amount to approximately $50,000 annually. Ms. Kennison projects that an additional $3 million in claims revenues would be generated annually based on the existing personnel's increased efficiency in processing claims through the CAMS system.

12. According to Ms. Kennison, the CAMS system, once fully operational, would allow the Billing Office to transfer four Inpatient and Outpatient Medi-Cal/Medicare billers to areas which are now understaffed. These areas include, (1) Patient Pay and Commercial Insurance follow-up, (2) other government programs such as the Victim of Crime Program and (3) Special Account Billing which encompasses all of the research and drug trials which are performed at SFGH. Ms. Kennison reports for example, that the approximately $21.1 million which is currently collected from Patient Pay ($8,518,586) and Insurance ($12,619,074) is done with a minimum of personal follow up (i.e., phone calls and letters). Ms. Kennison projects that reallocating four FTE in billing personnel to these other areas could generate, conservatively an additional ten percent or $2.1 million in collections, which alone would account for the majority of the estimated $3,000,000 in costs saving as a result of increased efficiencies.

13. In addition, Ms. Kennison estimates that once the CAMS system is installed and operational, SFGH will realize an estimated $54,800 in annual cost savings as follows:

| | |
|---|---|
| Leased Blue Cross Computer Terminals | $11,400 |
| Postage 50,000 claims @ $.50 | 25,000 |
| Postage 25,000 claims @ $.25 | 6,250 |
| Courier Service to Sacramento | 2,450 |
| UB82 Claim Forms | 4,500 |
| Printer Maintenance Costs | 3,200 |
| Misc. Supplies (envelopes, rubber stamps, white out, tape, typewriter repairs | 2,000 |
| Total | $54,800 |

14. Under the provisions of the contract, Health Management Systems, Inc., would perform the proposed CAMS services on a contingency fee basis and would be compensated according to the following fee schedule:

OUTPATIENT CLAIMS

| Outpatient revenues generated After Commencement Date of CAMS | Health Management Systems, Inc. Fee as a Percentage of Gross Revenues |
|---|---|
| $0 - $1,000,000 | 0% |
| $1,000,001 - $3,000,000 | 5.0 |
| $3,000,001 - $5,000,000 | 7.5 |
| $5,000,001 - $7,000,000 | 10.0 |
| $7,000,001 - $10,000,000 | 11.0 |
| $10,000,001 - $20,000,000 | 12.5 |
| Over $20,000,000 | 8.5 |

INPATIENT CLAIMS*

| Month of Service From Commencement Date of CAMS | Health Management Systems, Inc. Fee as a Percentage of Gross Revenues |
|---|---|
| 1 - 18 months | 2% of inpatient revenues |
| 19 - 36 months | 1.5% of inpatient revenues |

* Health Management Systems, Inc. would forego its fee on the first $1,000,000 in inpatient collections.

15. Management Systems, Inc. would invoice for payment within fifteen days after the close of each calendar month. Payments would be made by the City to the contractor no more frequently than once each month. The proposed contract provides that under no circumstances would the amount of compensation for Health Management Systems, Inc., exceed $1.5 million annually.

16. Ms. Kennison reports that SFGH issued an RFP in 1990 to acquire the computer based claims processing services. According to Ms. Kennison, the RFP was advertised in three minority newspapers in the City (El Observador, Asian Week and the Sun Reporter) as well as in the Sunday Examiner/Chronicle. Ms. Kennison advises that a total of 31 RFPs were mailed to a list of interested vendors or to vendors who responded as a result of the newspaper ads. Nine vendors attended a bidder's conference on March 5, 1990. Ms. Kennison reports that SFGH received bids from three vendors; 1) Wellmark, Inc., Los Angeles, Ca; 2) The Data Systems group, Inc. Sacramento, Ca; and 3) Health Management Systems, Inc., New York, N.Y. None of the bidders are MBE or WBE firms. Ms. Kennison reports that the RFP evaluation committee was comprised of eight ethnically diverse group members, representing data processing, general and patient accounting and hospital administration departments. The committee agreed that all three companies met the initial requirements and therefore all three bids were accepted. Five of the eight committee met again on April 4, 1990 and scored each bidder based on established criteria in the following categories: (1) scope of the work to be provided (15 points); (2) recent relevant experience (20 points); (3) professional background (20 points); (4) quality of past projects of client population being served (20 points); (5) rate/total cost (25 points); (6) product demonstration (60 points); Health Management Systems, Inc. received an average total of 134 out of a total possible 160 points. Wellmark, Inc. and Data Systems, Inc. received an average total of 99 and 93 respectively. Ms. Kennison advises that Geri Brown, Director of the DPH Contracts Office, observed the scoring process and was there to ensure that it was handled according to the City's and the DPH's guidelines.

17. The proposed contract which is the subject of this report, if approved, would be the second contract between SFGH and Health Management Systems, Inc. The SFGH has been contracting with Health Management Systems, Inc. since 1986 for the provision of Retroactive Claims Reprocessing services (RCR). The claims processed under this contract include "Patient Pay" and "Medically Indigent Adult." These claims are assigned to these financial class categories because the patient has not reported any third party coverage. These types of claims are not included in the categories of claims to be processed under the proposed CAMS system. Ms. Kennison reports that these accounts are primarily outpatient accounts and the volume is such (approximately 60,000) that the SFGH billing staff cannot manually query other systems to determine if there is some type of coverage available, which has not been reported by the patient. Ms. Kennison advises, therefore, that these accounts be turned over to Health Management Systems, Inc. for processing. Health Management Systems, Inc., maintains an extensive data base of Medi-Cal and Medicare eligibility information. The Agency is able to match the information in the Patient Pay and Medically Indigent Adult Accounts with this eligibility data and when Medi-Cal or Medicare coverage is determined, those accounts are billed directly by Health Management Systems, Inc. to the appropriate program. According to Ms. Kennison, if the SFGH did not contract with Health Management Systems, Inc. for RCR services, the Patient Pay and Medically Indigent Adult accounts which remained uncollectable would be written off and the collections would be lost. Under the RCR contract, Health Management Systems, Inc. is compensated at the rate of 25 percent of total collections recovered. For FY 1986-87 through FY 1988-89, Health Management Systems, Inc. generated $5,379,700 in collections under the RCR contract. The total paid to HMS for this period was $1,344,925. For FY 1989-90 Health Management Systems, Inc. has collected a total amount of $1,927,112 and projects an additional $341,800 will be collected for the period May 1, 1990 to June 30, 1990, for a total amount collected for SFGH of $2,268,912. Health Management Systems, Inc.'s share of these collections will be 25 percent or $567,228.

18. The Board of Supervisors approved six new positions for the SFGH Finance Division in the 1990-91 budget. Of the six positions which were approved, two (1637 Patient Accounting Clerks) were approved for the Billing Office. The remaining four positions are 2908 Eligibility Workers and are assigned to Registration. Ms. Kennison advises that the two 1637 Patient Accounting Clerks are assigned to outpatient collections. In

1989-90, the Billing Office had seven 1637 Patient Accounting Clerks, only two of whom were assigned to outpatients accounts. According to Ms. Kennison, the volume of claims (1,168 accounts per month per Patient Accounting Clerk), plus the additional tasks they were required to perform (i.e., handling telephone and walk-in inquiries), left the two Patient Accounting Clerks with little or no time to do any followup or collections on their accounts. The total collections for these two positions for 1988-89 is $4,619,073. The two additional Patient Accounting Clerks will increase the number of Patient Accounting Clerks assigned to outpatient collections to four and would reduce the caseload from 1,168 accounts to approximately 584 accounts per month for each of the Patient Accounting Clerks. Ms. Kennison advises that with this decreased caseload, that SFGH anticipates an approximately 21 percent increase in collections. Based upon SFGH's total collections of $4,619,073, this could result in an additional $988,000 in revenues for FY 1990-91.

19. Ms. Kennison advises that there is no guarantee that the utilization of the CAMS system will result in increased revenues. However, based on the study and research that has gone into the examination of this system, Ms. Kennison believes that the utilization of the CAMS system will result in increased revenues. Ms. Kennison reports that the contract provides that SFGH will review the effectiveness of the system on a monthly basis for the first year of the contract. Ms. Kennison advises that if claims collections, days in accounts receivable and denial/rejections do not improve significantly after the first contract year, that under the terms of the contract, SFGH would have the option to terminate the contract. Ms. Kennison adds that the terms of the contract, in fact, provide that SFGH could terminate the contract at any point during the term of the contract.

20. Since there is a level of uncertainty regarding (a) whether or not the utilization of the CAMS system will result in increased revenues, (b) what the future maintenance and insurance costs to the City will be and (c) what the actual reduced expenditures, such as postage will be, the Budget Analyst recommends that the Board of Supervisors require an evaluation of the CAMS system after the first six months of operation and that SFGH report the results of that evaluation to the Board of Supervisors.

21. Ms. Kennison reports that it is anticipated that the CAMS system would be on-line and available for use by SFGH according to the following schedule:

| | | |
|---|---|---|
| 1 | Medi-Cal Inpatient | 1/1/91 |
| 2 | Medi-Cal Outpatient | 1/15/91 |
| | Medicare Outpatient | 1/15/91 |
| 3 | Medicare Inpatient | 3/1/91 |
| | Medicare Inpatient Physician Component | 3/1/91 |
| | Medicare Outpatient Physician Component | 4/1/91 |
| | Inpatient Crossovers | 4/1/91 |
| 4 | Commercial Insurance Inpatient | 5/1/91 |
| | Commercial Insurance Outpatient | 5/1/91 |
| 5 | Workers Compensation | 6/30/91 |
| | CHDP | 6/30/91 |

22. As of the writing of this report, Mr. Dave Fong of the Controller's Office is proposing to not certify funds for this project, pending further discussion with the SFGH. Ms. Kennison reports that SFGH is in the process of preparing information to be presented to the Controller's Office.

**Recommendations:** 1. The proposed resolution to approve a contract with the Health Management Systems, Inc. for a CAMS system which cannot exceed $1.5 million annually is a policy matter for the Board of Supervisors.

2. If the Board approves the proposed legislation, amend the proposed resolution to require an evaluation, including data on increased revenues, increased costs and any cost reductions, and report to the Board of Supervisors on the CAMS system after the first six months of operation. To continue this contract, the data should unqualifiedly demonstrate that the net actual additional dollar benefit to SFGH exceeds the potential annual fee of $1.5 million to be paid to the contractor.

Item 6 - File 101-88-148.1

**Note:** This item was continued by the Finance Committee at its meeting of September 26, 1990.

**Departments:** Real Estate
Public Utilities Commission (PUC)
Hetch Hetchy

**Proposed Action:** Release of reserved funds previously appropriated for preliminary activities supporting the City's purchase of an eleven-story office building.

**Amount:** $38,383.33

**Source of Funds:** Hetch Hetchy surplus funds previously appropriated for the construction of Hetch Hetchy's Warnerville facilities, which are now completed.

**Description:** In June, 1989, the Board of Supervisors approved Ordinance No. 234-89 appropriating $100,000 for preliminary activities supporting the City's purchase of an eleven-story office building at 1155 Market Street. According to Mr. Gerald Romani of the Real Estate Department, the PUC's Bureaus, the Water Department and the Hetch Hetchy Project, the Health Service System and the Retirement System were scheduled to occupy the intended City-owned building. Most of these City Departments were currently located in the building as tenants. The anticipated cost of acquiring the 1155 Market Street building was $26,244,000. The $100,000 appropriation request was for the following purposes:

| | |
|---|---|
| Bond Counsel | $50,000 |
| Independent Appraisal | 15,000 |
| Building Assessment including mechanical, structural, electrical and life safety | 25,000 |
| Additional analyses that may be required, such as costs to move computers | 10,000 |
| Total Appropriation | $100,000 |

The $50,000 for bond counsel services was placed on reserve pending receipt of additional information from the PUC.

**Comments:**

1. According to Mr. Ed Harrington of the PUC, the City Attorney's Office hired O'Melveny and Myers as the bond counsel for the project. Their services were utilized from June 1989 through March 1990 when it was determined that acquisition of the 1155 Market Street property was not feasible because of a price impasse between the City and the property owner. The firm of O'Melveny and Myers has billed the City in the amount of $38,383.33 for its services.

2. Mr. Harrington states that the PUC believed that the firm of O'Melveny and Myers was engaged on a contingency basis and that the firm would receive compensation only if a sales agreement between the City and the property owner was concluded. The PUC's understanding is in accordance with Article V of the Agreement between O'Melveny and Myers and the City (Attachment 1). Article V states in part that "The compensation of the Bond Counsel is contingent upon issuance and sale of the Certificates* and upon the satisfaction of the City Attorney that services have been rendered as set forth in Appendix A of this Agreement" (see Attachment 2). However, Mr. Robert Kenealey of the City Attorney's Office states that O'Melveny and Myers was instructed to commence work on the project with the understanding that costs of up to $50,000, as referred to in Appendix A of the Agreement (Attachment 2), would be billable to the City.

3. Mr. Kenealey states that O'Melveny and Myers performed its work as assigned and that the City is obligated to compensate the firm. Mr. Kenealey further states that the Agreement clause making compensation contingent upon issuance of the Certificates should not not have been included in the Agreement.

4. Mr. Harrington states that the PUC has recommended approval of this request based upon Mr. Kenealey's opinion that the City engaged the services of O'Melveny and Myers and thereby incurred a financial obligation, irrespective of the compensation language shown in Article V of the Agreement.

*Certificates of Participation.

5. According to Mr. Harrington, the remaining $50,000 of the $100,000 total previously appropriated was work-ordered to the Department of Real Estate and has been expended as part of the preliminary acquisition activities.

6. The unexpended $11,616.67 ($50,000 less $38,383.33) of the $50,000 previously appropriated and reserved for bond counsel services should be returned to Hetch Hetchy unappropriated revenues.

**Recommendations:**

1. Approval of this request to release $38,383.33 is a policy matter for the Board of Supervisors.

2. Direct a letter to the Controller releasing the balance of $11,616.67 for return to the Unappropriated Revenues of Hetch Hetchy.

Article III

Term

Subject to Article VIII below, the term of this Agreement shall be from the date first above-written to December 31, 1994, or such earlier date as the Certificates have been sold and Bond Counsel has performed all its duties hereunder.

Article IV

Effective Date

This Agreement shall be deemed effective as of the date first above-written when City's Controller certifies the availability of funds for the current Fiscal Year for the payment of Bond Counsel's compensation hereunder and Bond Counsel has been notified in writing.

Article V

Compensation

The compensation of the Bond Counsel is contingent upon issuance and sale of the Certificates and upon the satisfaction of the City Attorney that services have been rendered as set forth in Article I of this Agreement. In no event shall compensation pursuant to this contract exceed those amounts set forth in Appendix A. The breakdown of costs associated with this contract are provided for in Appendix A attached hereto and incorporated by reference as though fully set forth herein.

In the event Bond Counsel are required or requested to perform any additional or extraordinary services not herein contemplated, Bond Counsel shall be entitled to apply to the City for additional compensation for such additional services

performed, the amount of which shall be subject to the approval of the City, and no such additional compensation in excess of the amount herein specifically provided for shall be paid unless specifically authorized by the City, in its own discretion.

## Article VI

## Method of Payment

Invoices furnished by Bond Counsel under this Agreement must be in a form acceptable to the City Attorney and City's Controller. All amounts paid by City to Bond Counsel shall be subject to audit by City.

A. All charges incurred under this Agreement shall be due and payable only after services have been rendered, or expenses incurred and invoices submitted for the same.

B. Bond Counsel shall, when requested, submit statements identifying work performed and the corresponding amount of time spent by each individual with their hourly billing rates.

## Article VII

## Certification of Funds, Non-Appropriation

A. This Agreement is subject to the budget and fiscal provisions of the charter of City.

B. Charges will accrue only after prior written authorization certified by City's Controller. Any amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

APPENDIX A

# COMPENSATON

The City agrees to compensate Bond Counsel under the Agreement in the amount and manner set forth below:

A. For the services to be performed by Bond Counsel, including the filing of the validity lawsuit pursuant to Section 860, et seq. of the Code of Civil Procedure, Bond Counsel will be paid a maximum of Fifty Thousand Dollars ($50,000). This will be based upon a billing time for partners of Two Hundred Sixty Dollars ($260) per hour; special counsel, Two Hundred Ten Dollars ($210) per hour; senior associates, One Hundred Seventy-five Dollars ($175) per hour; junior associates, One Hundred Ten Dollars ($110) per hour; and paralegals, Ninety Dollars ($90) per hour.

B. In addition to the charges for professional services set forth in Paragraph A above, City shall reimburse Bond Counsel for actual out-of-pocket expenses incurred in the course of rendering such services, including costs of long-distance telephone calls, document binding, courier service and FAX charges, computerized legal research, any costs of printing and word-processing, costs of reproduction of documents, secretarial overtime, and any necessary travel expenses. The amount of out-of-pocket expenses under this Agreement shall not exceed Five Thousand Dollars ($5,000) per sale of Bonds. City's obligation to reimburse Bond Counsel for its out-of-City's obligation to to reimburse Bond Counsel for its out-of-pocket expenses is contingent upon the sale and delivery of the Bonds. Out-of-pocket expenses incurred trips to the rating agencies in New York City will be reimbursed and will not be included towards the above expense limitation.

Memo to Finance Committee
October 3, 1990

Item 7 - Files 118-90-6

**Department:** Office of the Treasurer-Tax Collector

**Item:** Ordinance amending the San Francisco Health Code by adding a new Section 124.5.

**Description:** The proposed ordinance would amend the City's Health Code by adding a new Section 124.5. The proposed new Section 124.5 would enhance the legal basis for and establish the mechanisms necessary to put liens on any third-party (insurance) settlements of claims paid to patients or their beneficiaries for injuries and/or death from injuries, that are treated by the City's medical facilities. The mechanisms necessary to create these medical liens for the costs of treatment require that they (the patient or their representative) are responsible to notify the City of any demands made to third-party insurance carriers for benefits for injuries and/or death resulting from injuries.

Mr. Fletcher, Attorney for the Tax Collector's Office, reports that the City makes every effort to collect the costs of medical services but has often been unable to put liens on third party settlements because the patients or potential beneficiaries did not advise the City that they had filed claims. In accordance with the proposed new Section 124.5, the following statement would be included with every billing:

> "IMPORTANT! If your attorney or you alone demand money from another person or insurance company because of your injuries and you have not paid this bill in full, your attorney or you must notify: The Bureau of Delinquent Revenue Collection, City Hall, Room 107, San Francisco, California 94102. Failure to notify the Bureau within 10 days of making your demand may result in civil liability for your attorney or you. S.F. Health Code Section 124.5."

**Comment:** San Francisco General Hospital indicates that additional staff may be needed to send the proposed notices but has not made any estimate of the number or cost of additional staff. The Bureau of Delinquent Revenue indicates that approximately $500,000 in delinquent revenue can be collected annually as a result of sending the proposed notice with bills for medical services.

**Recommendation:** Approve the proposed ordinance.

Item 8 - File 97-90-43

**Department:** Department of Public Health (DPH)
Division of Mental Health,
Substance Abuse and Forensic Services

**Item:** Ordinance to amend the San Francisco Administrative Code

**Description:** The DPH currently contracts with San Mateo County to provide 24-hour skilled nursing facility and day services to mentally impaired persons referred by the San Francisco Community Mental Health Services (CMHS) as an alternative to hospitalization in State-operated mental health institutions.

The City Attorney's Office has informed DPH that the existing hold harmless clause resolution, that must be renewed by approval of a Board of Supervisors resolution annually, for the contract beween the City and San Mateo County is not satisfactory. A permanent hold harmless provision should be authorized by the Administrative Code, as is the case for many other City functions, such as the following:

| Administration Code Section | City Department | Contractor | Contract Purpose |
|---|---|---|---|
| 1.24 | Police | Military, Cities, Counties | Training |
| 1.24-1 | Sheriff | Federal Government | Obtain Vehicles |
| 1.25 | Police | Companies, Military | Obtain Vehicles |
| 1.25-1 | Purchaser | Vehicle Lessors | Lease Vehicles |
| 1.25-3 | Public Health | Hospitals, Physicians | Training |
| 1.25-5 | Fire | Building Owners | Training |
| 1.33 | Public Health | University of California | Health Services |
| 1.35 | Public Health | Medical Institutions | Records Review |
| 1.36 | Public Health | Training Institutions | Training |

The proposed ordinance would add a new Section 1.37 to the Administrative Code to authorize the Health Commission to enter into a hold harmless agreement with San Mateo County when entering into contracts for 24-hour skilled nursing facility and day services to mentally impaired clients.

**Recommendation:** Approve the proposed ordinance.

Item 9 - File 97-90-41

**Item:** Ordinance amending the Administrative Code by adding Section 10.117-104 to establish a Delinquency Prevention Commission Special Fund.

**Description:** The proposed ordinance would add a new Section 10.117-104 to the Administrative Code which would establish a Special Fund entitled Friends of the Delinquency Prevention Commission Special Fund. The purpose of the Fund would be to receive all gifts and monetary donations offered to the City to support special programs/projects of the Delinquency Prevention Commission which are aimed at preventing delinquent behavior among youth. Monies from the Fund would be expended solely for the purpose of funding special projects authorized and approved by the Delinquency Prevention Commission. The proposed legislation also provides that any interest earned on funds deposited to the Special Fund would be used solely for the purposes for which the Special Fund was established. Additionally, any monies remaining in the Special Fund at the close of the fiscal year would be carried forward and used for the specific purposes for which the Special Fund was established. Finally, monies from the Fund would not be subject to appropriation by the Board of Supervisors.

**Comments:** 1. Ms. Kristen Bachler, Executive Director, of the Delinquency Prevention Commission, reports that all gifts and monetary donations offered to the City to support the program activities of the Delinquency Prevention Commission are currently deposited to the Mayor's Youth Fund. When the Commission requires the use of monies for program purposes, the Commission notifies the Mayor's Office of the amount required and the Mayor's Office writes a check to the Commission based on the availability of funds. Ms. Bachler advises that to date, the Mayor's Youth Fund has been relatively efficient for this purpose. According to Ms. Bachler, this has been primarily true because individual gifts and donations offered to the City to support the program activities of the Delinquency Prevention Commission have been relatively small, ranging from a few hundred dollars to a few thousand dollars, for an average annual amount of approximately $1,500. As such, according to Ms. Bachler, the Commission has not required a separate Fund.

2. Ms. Bachler reports that the Delinquency Prevention Commission is now in the process of developing a fundraising program that will generate an estimated $10,000 to $20,000 annually to support the Commission's program activities.

3. Based on the anticipated increase in annual donations to support their program activities, the Commission is requesting that a separate Special Fund be established in order to provide the Commission with a direct means for monitoring and tracking expenditures on a monthly basis. Ms. Bachler advises that the fundraising plan involves soliciting funds from various corporations. Ms. Bachler reports that the Commission has not as yet determined the specific corporations that would be targeted for this fundraising program.

4. Ms. Florence Stagner of the Mayor's Office is responsible for administering the Mayor's Youth Fund. Ms. Stagner reports that if the donations to the Delinquency Prevention Commission increase substantially, as is anticipated by the Commission, she would not have sufficient time to assume the task of generating monthly expenditure reports for the Commission.

5. Mr. John Madden of the Controller's Office reports that the Controller's Office is concerned about the proliferation of special funds, because these funds place an additional administrative burden on the Controller's Office with respect to monitoring and tracking of these funds. Mr. Madden advises therefore, that the Controller's Office is reviewing the Controller's costs required to administer these funds. The Controller's Office is also considering whether to provide that interest accrued on such funds be deposited to the General Fund or alternatively that an amount be set aside to offset the Controller's administrative costs associated with monitoring and tracking these funds.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If this ordinance is approved, consideration should be given to amending the ordinance to make all expenditures in excess of $5,000 subject to appropriation by the Board of Supervisors.

Item 10 - File 101-90-19

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Supplemental Appropriation Ordinance to fund the Dispute Resolution Program for the period from October 1, 1990, through September 30, 1991.

**Amount:** $226,090

**Source of Funds:** Special Revenue Funds - Dispute Resolution Program ($3.00 surcharge on various Municipal and Superior Court filing fees).

**Description:** In December of 1986 the City and County of San Francisco established a funding source for a Dispute Resolution Program in accordance with the State Dispute Resolution Programs Act of 1986 by adding a $3.00 surcharge to various Municipal and Superior Court filing fees. By October 1988 sufficient funds from the surcharges had accumulated to fund a local Dispute Resolution Program as approved by the Board of Supervisors (Files 101-88-15 and 338-88-1). The Dispute Resolution Program provides an alternative to formal court proceedings for the settlement of disputes by assembling panels of specialists to hear the disputant's argument and then to render a non-binding decision regarding the dispute.

The proposed supplemental appropriation would fund a continuation of the Dispute Resolution Program from October 1, 1990 through September 30, 1991, as follows:

| | | |
|---|---|---|
| Contract Services | | |
| Community Boards | | |
| (1,152 cases* @ $92/case) | $105,545 | |
| California Community Dispute | | |
| Services (947 cases* @ $95/case) | 90,000 | |
| California Lawyers for the Arts | | |
| (100 cases* @ $100/case) | 10,000 | |
| Total Contract Services | | $205,545 |

* The number of cases to be provided was determined by dividing the available funding by the per case cost.

| MOCD Administration | FTE | | |
|---|---|---|---|
| Senior Clerk Typist | 0.05 | $1,248 | |
| Senior Accountant | 0.12 | 3,802 | |
| Senior Community Development Specialist | 0.21 | 8,716 | |
| Supervising Community Development Specialist | 0.11 | 6,779 | |
| Total - MOCD Administration (9% of program total) | 0.49 | | $ 20,545 |
| Program Total | | | $226,090 |

**Comments:**

1. The proposed Supplemental Appropriation Ordinance would extend the work programs for the existing contractors for an additional year, from October 1, 1990 through September 30, 1991. FY 1990-91 would be the second one-year extension of the three contractors.

3. A comparison of contractor cost per case between 1989-90 and 1990-91 for the three contracting agencies is as follows:

| | Cost Per Case | | |
|---|---|---|---|
| Contractor | 1989-90 | 1990-91 | Increase |
| Community Boards | $92 | $92 | 0 |
| California Community Dispute Services | 95 | 95 | 0 |
| California Lawyers for the Arts | 96 | 100 | 4 |

**Recommendation:** Approve the proposed Supplemental Appropriation Ordinance as requested.

Items 11 and 12 - Files 65-90-6 and 65-90-6.1

1. The proposed resolution (Item 11 - File 65-90-6) would adopt the Final Environmental Impact Report regarding the Underwater World at Pier 39 project, finding and determining that the project will have a significant impact on the environment and adopting and incorporating findings of the final Environmental Impact Report. The proposed ordinance (Item 12 - File 65-90-6.1) would approve the amendment to the master lease agreement between Pier 39 and the City and County operating by and through the Port Commission; adopt findings on mitigation measures and alternative projects; determine to proceed with the project based on implementation of mitigation measures and overriding considerations.

2. Project Description

The Underwater World Aquarium at Pier 39 is a new use located within the premises leased by the Port of San Francisco to Pier 39 Limited Partnership. The facility, modeled after an Underwater World in Auckland, New Zealand, consists chiefly of a slowly-moving walkway within an acrylic viewing tunnel, in which visitors would move through and under two concrete water tanks (totalling approximately 707,000 gallons). It is planned to exhibit over 2,000 fish species indigenous to San Francisco Bay and Northern California. As visitors progress on the walkways through the tanks, the environment would reflect the fish species and plant life of progressively deeper ocean waters.

The developers, Pier 39, in partnership with Questar of New Zealand, Inc., propose to demolish a 5,150-square-foot portion of an existing wing of the octagon-shaped building at the entrance to Pier 39 known as 'Building Q', and to remove 18 marina boat slips in the marina immediately south of the Pier. The resultant new building is a stand-alone building, approximately 45,000 square feet in total, built partially on the existing pier, and partially on piles over the water. It will include the commercial aquarium, exhibit areas, a bookstore and a lobby. Administrative space, a small cafe, and additional exhibit space will be located in Building Q.

The public entrance to the aquarium would be on the second floor of the building. Ticket sales would be at two ground level locations, and at the second floor entrance. The building would be surrounded by a realigned perimeter access way.

The aquarium building and attendant educational programs were originally proposed in early 1987. Upon agreement by the Port Commission that the developers should pursue local and regional permits, the project has undergone almost 3.5 years' review and analysis by the public, San Francisco's Office of Environmental Review, the Planning Commission, the Bay Conservation & Development Commission, and most, recently, the Port Commission again.

3. Regulatory Conditions and Mitigation Measures

The Planning Commission imposed conditions deemed advisable, given current planning policies of the City. The major conditions imposed on the project include, but are not limited to:

A. The project sponsor shall provide and maintain a series of improvements around the perimeter of Pier 39 to enhance the perimeter as a walking tour of the waterfront, and as useful public access. The Conditional Use permit recommended several specific design considerations for these improvements.

B. To compensate for the area lost to the expansion of a taxi and bus loading area to the entrance to Pier 39, the project sponsor shall enhance the sitting and viewing area at the northern end of Pier 39 by installing several pedestrian improvements and interpretive exhibits.

C. The project sponsor shall issue 10,000 family tickets each year, permitting the admission of up to 4 persons per ticket, at a price discounted by 75% from the established admission prices. Distribution of such tickets shall be through neighborhood centers where low-income families are concentrated. Additional elements of a required 'Family Affordability Program' are:

- Provision of annual passes to San Francisco residents, permitting unlimited attendance from mid-October to mid-May, at a price not to exceed three times the undiscounted price.

- Children and seniors to be admitted at no more than 50% regular admission price.

- Groups with special needs (e.g. disadvantaged youth, impaired or disabled groups, etc.) to be accommodated at specific times.

D. The sponsor is required to develop a program for school field trips with free admission offered to all students from the San Francisco Unified School District.

E. To address transportation-related impacts Pier 39 is required to meet the following conditions:

- Attendance will be limited to a maximum of 650 visitors per hour (72% of capacity) in the first year of operation; 750 visitors/hour (83% of capacity) in the second year; 850 visitors/hour (94%) thereafter.

- Advance sale of time-specific admission tickets will be required for weekends and holidays at least 48 hours prior to the time of admission.

- No parking fee discounts, validation systems or other incentives encouraging auto use is permitted. Encouragement of transit use and incentives to use transit are required.

- The existing Pier 39 garage shall be reconfigured to: create at least 40 additional spaces in the garage; eliminate existing access portals on Powell St., reconfigure Powell Street traffic lanes; create a new entrance on Stockton St.; reconfigure internal travel lanes and parking stalls; add a second entrance onto Beach St., etc.

- Install various pedestrian crossing lanes, traffic signals, directional signage, access lanes, widen Beach Street, and auto queuing facilities and queue management procedures in the vicinity of the parking garage.

- Provide for a supplemental parking facility, at least 200 spaces. If the supplemental parking facility is more than 800' from the project, provide a shuttle service with maximum 20-minute headways. Provide valet parking service in peak demands, to further increase garage capacity.

F. The sponsor shall contract with MUNI to provide additional transit service at peak periods by increasing the frequency of the Embarcadero-32 bus schedule from existing 20 minute headways to 10 minute headways during summer months.

G. The project sponsors were required to reach an agreement with Steinhart Aquarium to offset the projected revenue loss to Steinhart. Under this agreement, Pier 39 will compensate Steinhart Aquarium in the amount of $200,000 annually for a period of eight years.

4. BCDC Regulatory Conditions

The Bay Conservation & Development Commission (BCDC) conducted several meetings of its Design Review Board and public hearings to ascertain public comment on its permit requirements. The BCDC review process added, changed and/or subtracted several components. As a result, the following conditions were imposed on the project which, in conjunction with those imposed by the City Planning Commission, have further defined the project.

Major conditions imposed by BCDC include, but are not limited to:

A. The sponsor shall reconfigure the entire aquarium building, to create a separate stand-alone building at Pier 39, along with enhanced public access space on the perimeter of the building and at the second level.

B. Dedicate, and by legal instrument, record the dedication, of all required public access and viewing spaces required by the Planning Commission and BCDC.

C. Improve the so-called "East Entry Plaza", that area between the Embarcadero and the water, adjacent to the entrance to Pier 39, extending westward to Piers 41 and 43.

D. Remove most of Pier 43; Finish the remaining portion (that inland of the existing railroad arch) as a public access plaza, with requisite trash receptacles, etc.

E. Maintain all requisite public access spaces.

5. Lease Amendment Terms

The term of the proposed lease amendment is coincident with the remainder of the Pier 39 Master Lease, terminating in the year 2042 unless terminated beforehand in accordance with provisions of the lease agreement.

Although the Underwater World project is to be located entirely within the premises now covered by the existing Pier 39 Master Lease Agreement, the Port Commission desired to negotiate separate rental provisions concerning the new aquarium facility. Under the existing master lease, the Port presently receives approximately 0.96% (0.0096) of the total revenue produced by the Pier 39 subtenants added to the "economic rents" derived from a percentage of attractions operated by Pier 39 itself. This percentage changes, increasing with the total revenue received by Pier 39 from its subtenants and attractions operated by Pier 39 itself. Under the belief that such terms were highly unfavorable to the lessor (the Port), the Port therefore sought to negotiate improved percentage rental terms for the Underwater World project.

Secondly, the Port recognized that all improvements to the Pier 39 site that would accompany the new facility were to be the responsibility of the project sponsor at no cost to the Port. The value of new construction of the facility, other public improvements associated with the project and equipment to be included in the facility is estimated to be approximately $20 to $22 million at this time. The Port therefore agreed to a graduated percentage rent schedule and a rent recapture provision, in a total amount not to exceed $2.0 million, during the early years of the project (i.e. years 1 through 10) and higher rents thereafter. By doing so, the Port states that they thereby recognize the investment in the project by Pier 39, and the cash flow requirements during the early years of operation to fund debt service required for the capital improvements.

Based on the Port's negotiating principals described above, the Port negotiated, and the Port Commission approved, a rent structure that requires Pier 39 to pay the greater of the following rents:

- An annual rent "guarantee" of $150,000 or;
- Percentage rent calculated as follows for the first ten years:
  - 2% of the first $5,000,000 in total Underwater World annual revenue;
  - 3% of the next $5,000,000 in total revenue;
  - 4% of all total Underwater World revenue in excess of $10,000,000 annually.

  The Port agreed to a structural building credit ("rent re-capture") of up to $2.0 million in total over the first ten years of the facility's operation. This rent recapture is calculated annually as one half of the percentage rent after deduction of a minimum rent of $60,000 annually. In no event however, will annual rental payments to the Port be less than $150,000.
- Starting in the eleventh year and for each year thereafter, percentage rental payments to the Port will be based on 4% of all Underwater World revenue.

6. Projections of Revenue to the Port

Pier 39 and the Port currently estimate that the total revenue produced by Underwater World in its first full year of operation will approximate $10.0 million. Port staff add that this projected total revenue is based on total admissions to the attraction of 1.4 million persons annually and average revenue per attendee of approximately $7.15. (Currently, approximately 11.0 million people visit Pier 39 annually. The Environmental Impact Report estimates that the 1.4 million attendees to Underwater World would be comprised of 1.0 million persons already attending Pier 39 and 400,000 persons who would not otherwise visit the Pier 39 facility.)

Port staff feel that the estimated annual total revenue for Underwater World is conservative since it does not take into consideration other revenue from retail sales and novelty items (from the Bookstore for example) associated with Underwater World operations.

The estimated $10.0 million in total revenue is projected to increase by 5% annually. This estimated rate escalation may also be conservative according to project sponsors since the annual growth in total Pier 39 revenues has historically been 7%.

Based on these assumptions, the following table illustrates total revenue, percentage rents, rent recapture to be credited to the sponsor (Pier 39) and net rental income to the Port for the first 20 years of operations of the facility.

| Year | Total Underwater World Revenue | Percentage Rent | Rent Recapture for Cost of Improvements | Net Rent To Port |
|---|---|---|---|---|
| 1 | $ 10,000,000 | $ 250,000 | $ 95,000 | $ 155,000 |
| 2 | 10,500,000 | 270,000 | 105,000 | 165,000 |
| 3 | 11,025,000 | 291,000 | 112,500 | 178,500 |
| 4 | 11,576,250 | 313,050 | 123,525 | 189,525 |
| 5 | 12,155,062 | 336,202 | 131,801 | 204,401 |
| 6 | 12,762,815 | 360,512 | 143,956 | 216,556 |
| 7 | 13,400,956 | 386,038 | 153,089 | 232,949 |
| 8 | 14,071,004 | 412,840 | 166,490 | 246,350 |
| 9 | 14,774,554 | 440,982 | 176,568 | 264,414 |
| 10 | 15,513,282 | 470,531 | 191,342 | 279,189 |
| 11 | 16,288,946 | 651,557 | 0 | 651,557 |
| 12 | 17,103,393 | 684,135 | 0 | 684,135 |
| 13 | 17,958,563 | 718,342 | 0 | 718,342 |
| 14 | 18,856,491 | 754,259 | 0 | 754,259 |
| 15 | 19,799,315 | 791,972 | 0 | 791,972 |
| 16 | 20,789,281 | 831,571 | 0 | 831,571 |
| 17 | 21,828,745 | 873,149 | 0 | 873,149 |
| 18 | 22,920,183 | 916,807 | 0 | 916,807 |
| 19 | 24,066,192 | 962,647 | 0 | 962,647 |
| 20 | 25,269,501 | 1,010,780 | 0 | 1,010,780 |
| 20-Year Totals | $ 330,659,533 | $ 11,726,374 | $ 1,399,271 | $10,327,103 |

As shown above, the total "rent recapture" is projected to be approximately $1.4 million over the first ten years of the project. In no event will this total amount exceed $2.0 million.

The other incentive offered to the project sponsor by the Port is the graduated percentage rent structure over the first ten years of operation (i.e. 2% of the first $5,000,000 in total Underwater World annual revenue; 3% of the next $5,000,000 in total revenue; 4% of all total Underwater World revenue in excess of $10,000,000 annually). By using this percentage rent schedule and the rent recapture provisions, described above, in the first ten years, the Port will receive approximately $2.9 million less than the amount of rent that would otherwise be paid to the Port under a rental structure that would simply pay to the Port 4% of all total Underwater World revenue. This $2.9 million amount could therefore be viewed as the Port's "investment" in the project.

The Port's justification for the rent recapture and graduated percentage rent schedule for the first ten years of Underwater World operations is that leasehold improvements made by tenants are normally compensated for in whole or part by a landlord. The Port also stated that these provisions serve to assure that the project will be financially solvent, especially in the early years when debt service and operating costs are generally at their highest levels in relation to total revenue.

7. Increased Revenue to the General Fund and Transit Improvement

Besides the increased revenue to the Port in the form of rental payments for the Underwater World facility over and above the existing Pier 39 lease agreement, the City and County's General Fund will also benefit. Such revenue benefits will include increased possessory interest taxes payable to the City, unsecured property taxes, increased sales taxes (which will also benefit restricted San Francisco Transportation Authority Fund transit revenue from the 0.5% sales tax surcharge) and increased payroll taxes.

The Assessor's Office estimates that, based on the value of new construction, equipment and the terms of the lease and projected total revenue, that the approximate amount of possessory interest tax and unsecured property taxes payable by Pier 39 to the City's General Fund will be $330,000 annually. (Possessory interest taxes are payable by private businesses using public property for profit-making enterprises; such taxes are payable in lieu of property taxes which would normally be paid if the property were not publicly owned.)

Increased Sales Tax revenue to the General Fund will approximate $100,000 annually based on the projected total Underwater World revenue in its first year of operation of $10.0 million. (Additionally, the San Francisco Transportation Authority Fund transit revenue from the 0.5% sales tax surcharge would receive $50,000 in sales tax revenue based on the first year projection of total revenue.)

Based on the Underwater World projected payroll, the General Fund will receive approximately $21,000 additionally in payroll taxes.

Considering all of these estimated sources of revenue, the General Fund will benefit in the amount of approximately $451,000 annually as a direct result of the Underwater World facility for its first year of operations based on the projected total annual revenue of $10.0 million in the first year.

Additionally, the San Francisco Transportation Authority Fund will receive an estimated increase of $50,000 annually from the 0.5% sales tax surcharge.

8. Underwater World's Projections for Operating Revenue, Operating Expenses and Profit

The Budget Analyst has been allowed to view *pro-forma* projections of Underwater World's projected operating revenue, operating expenditures and profit. The Budget Analyst was not permitted to retain copies of such projections due to the desire of the project sponsors to maintain confidentiality.

Such materials were also reviewed by Port staff, under the same conditions and restrictions. It is the conclusion of Port staff that the projections are reasonable and comparable to allocations of operating expenditures found at other aquarium facilities throughout the United States. (The Port's staff report, which may be found in the Board file describes these comparisons).

Based on this review of such material, the projected profit (return on equity after taxes) to the Pier 39 Limited Partnership from the new facility is anticipated to range from estimates of 5% to 15%. Of these profit ratios, the rent recapture credited to the project sponsor represents projected profit of approximately 1%.

Comments

1. The Port's staff report on the proposed lease amendment notes that most other facilities of this nature have been developed with large amounts of public participation in the form of general obligation bonds, revenue bonds, donated land, etc. This proposal requires no such public participation as a "front-end" expense. Instead, the Port has employed incentives in the form of graduated percentage rents and a rent recapture of up to $2.0 million over the first ten years of the project. The Port also points out that the proposed facility will represent substantial new increased revenue to the Port over and above the existing Pier 39 master lease by utilizing existing premises covered under the master lease agreement. Lastly, the Port notes the substantial public improvements that will accrue to the Fisherman's Wharf area as a result of this project.

2. A separate report provided by the Budget Analyst, dated October 1, 1990, provides data comparing all Port leases in the Fisherman's Wharf area.

**Recommendation**

From a purely economic perspective, the Budget Analyst recommends approval of the proposed legislation based on the projected substantial revenue benefit to the City and County of San Francisco's Harbor (Port) Fund and the General Fund. However, consideration should also be given to the significant environmental impacts of the project. Although such impacts are to be mitigated by certain regulatory conditions applied to the project, the evaluation of such impacts is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
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ACTIONS TAKEN

# CALENDAR

## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, OCTOBER 10, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

ABSENT: SUPERVISOR MAHER, ITEM 1a

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

### CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 64-90-35. [Lease of Real Property] Resolution authorizing lease of real property at 732 Brannan Street for the District Attorney's Office. (Real Estate Department)

   b) File 133-90-2. [Earthquake Hazard Mitigation Grants] Resolution authorizing the Chief Administrative Officer, as local Hazard Mitigation Coordinator, to apply for Hazard Mitigation Grant Funds. (Supervisor Walker)

   c) File 156-90-2. [Federal Funding] Resolution approving expenditure of Refugee funds and authorizing the President of the Private Industry Council of San Francisco, Inc., to sign, to enter into and to execute the State contract for the use of Refugee Targeted Assistance Program VII Funds. (Private Industry Council)

   d) File 156-90-3. [Federal Funding] Resolution approving expenditure of Refugee funds and authorizing the President of the Private Industry Council of San Francisco, Inc., to sign, enter into and execute the State contract for the use of Refugee Employment Social Services Funds. (Private Industry Council)

   e) File 156-90-4. [Federal Funding] Resolution approving expenditure of Refugee funds and authorizing the President of the Private Industry Council of San Francisco, Inc., to sign, to enter into, and execute the State contract for the use of the Mutual Assistance Association Incentive Funds; retroactive to July 1, 1990. (Private Industry Council)

f) File 199-90-2. [Jurisdictional Transfer] Resolution transferring jurisdiction from the Recreation and Park Department to the Public Health Department of a portion of McKinley Square designated as Lot 3 in Block 4091 in exchange for the transfer from the Public Health Department to the Recreation and Park Department of the Park Emergency Hospital Facility on Stanyan Street in Block 1700; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

g) File 101-89-34.4. Requesting release of reserved funds, Public Library, in the amount of $861,300 to begin the branch improvement project at the Presidio Branch Library, to rent temporary quarters for the Library for the Blind and to provide contingency costs for the Park Branch Library Project. (Public Library)

ACTION: ITEMS 1b, 1c, 1d, 1e, 1f, and 1g SEVERED. ITEM 1a RECOMMENDED.

ITEM 1b, File 133-90-2. AMENDMENT OF THE WHOLE BEARING SAME TITLE ADOPTED. RECOMMENDED AS AMENDED.

ITEM 1c, File 156-90-2. AMENDED TO SPECIFY $368,083 AS AMOUNT OF FUNDING RETROACTIVE TO 2/1/90. NEW TITLE: "[Federal Funding] RESOLUTION APPROVING EXPENDITURE OF REFUGEE FUNDS IN THE AMOUNT OF $368,083 AND AUTHORIZING THE PRESIDENT OF THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., TO SIGN, TO ENTER INTO AND TO EXECUTE THE STATE CONTRACT FOR THE USE OF REFUGEE TARGETED ASSISTANCE PROGRAM VII FUNDS, RETROACTIVE TO FEBURARY 1, 1990." RECOMMENDED AS AMENDED.

ITEM 1d, File 156-90-3. AMENDED. (See File for detail.) NEW TITLE: "[Federal Funding] RESOLUTION APPROVING EXPENDITURE OF REFUGEE FUNDS IN THE AMOUNT OF $312,063 AND AUTHORIZING THE PRESIDENT OF THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., TO SIGN, ENTER INTO AND EXECUTE THE STATE CONTRACT FOR THE USE OF REFUGEE EMPLOYMENT SOCIAL SERVICES FUNDS; RETROACTIVE TO JANUARY 1, 1990." RECOMMENDED AS AMENDED.

ITEM 1e, File 156-90-4. AMENDED. (See File for detail.) NEW TITLE: "[Federal Funding] RESOLUTION APPROVING EXPENDITURE OF REFUGEE FUNDS IN THE AMOUNT OF $37,175 AND AUTHORIZING THE PRESIDENT OF THE PRIVATE INDUSTRY COUNCIL OF SAN FRANCISCO, INC., TO SIGN, TO ENTER INTO, AND EXECUTE THE STATE CONTRACT FOR THE USE OF THE MUTUAL ASSISTANCE ASSOCIATION INCENTIVE FUNDS; RETROACTIVE TO JULY 1, 1990." RECOMMENDED AS AMENDED.

ITEM 1f, File 199-90-2. RECOMMENDED.

ITEM 1g, File 101-89-34.4. RELEASE OF $779,500 PLUS $7,000 RECOMMENDED. FILED.

REGULAR CALENDAR

2. File 47-90-12. [Garage Lease Documents] Ordinance approving and adopting Lombard Street Garage legal documents and authorization to lease. (Department of Parking and Traffic)

   ACTION: LEASE AMENDED TO PROVIDE THAT CHANGE IN HOURS, RATES AND CHARGES BE SUBJECT TO APPROVAL BY THE BOARD OF SUPERVISORS. ORDINANCE AMENDED TO REFLECT AMENDMENT OF LEASE. NO CHANGE IN TITLE. RECOMMENDED AS AMENDED.

3. File 65-90-5. [Childcare Center - Lease Agreement] Ordinance authorizing negotiated lease agreement for childcare center at Southeast Community Facility located at 1800 Oakdale Avenue. (Real Estate Department)

   ACTION: RECOMMENDED.

4. File 84-90-3. [Acquisition of Property] Resolution authorizing acquisition of City and County of San Francisco Assessor's Parcels Block 322, Lots 5 and 6, 560-570 Ellis Street site for proposed Tenderloin Recreation Center; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

   ACTION: RECOMMENDED.

5. File 127-90-4. [Real Property Transfer Tax Increase] Ordinance amending Article 12C of Part III, Municipal Code, imposing a real property transfer tax, by amending Section 1102 thereof to increase the real property transfer tax rate from $2.50 for each $500 of consideration or value to $3.73 for each $500 of consideration or value, and by deleting the exemption from the tax for assumed indebtedness; setting the effective date. (Supervisor Walker)

   ACTION: CONTINUED to 10/17/90.

Public Library, Documents Dept.
ATTN: Gerry Roth

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

October 10, 1990

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**TO:** Finance Committee

**FROM:** Budget Analyst - Recommendation

**SUBJECT:** October 10, 1990 Finance Committee Meeting

Item 1a - File 64-90-35

| | |
|---|---|
| **Departments:** | District Attorney<br>Real Estate Department |
| **Item:** | Resolution authorizing the renewal of a lease of real property for the District Attorney's Office. |
| **Location:** | 732 Brannan Street, 2nd Floor |
| **Purpose of Lease:** | Office space for the District Attorney's Consumer Fraud and Special Prosecution Units |
| **Lessor:** | First California Investments |
| **No. of Sq. Ft. and Cost/Month:** | 8,000 sq. ft. @ $1.20/sq.ft./mo. = $9,609 rent/month |
| **Annual Cost:** | $115,308 |
| **% Decrease over 1989-90:** | 10.5 percent |
| **Utilities and Janitor Provided by Lessor:** | Janitorial costs are included in the monthly rental rate for the property. The City funds the cost of utilities, water and scavenger services. |

**Term of Lease:** July 1, 1990 through June 30, 1991

**Right of Renewal:** The proposed lease renewal is for one year and contains no options to renew. However, Mr. Gerald Romani of the Real Estate Department reports that the Department would likely be able to negotiate another renewal of the lease with First California Investments if the District Attorney desires to continue occupancy of these premises. (see Comment No. 3).

**Source of Funds:** General Fund approved in 1990-91 budget

**Comments:**

1. The Real Estate Department reports that the proposed $9,609 monthly rental for the property represents the current fair market rental for this property.

2. The proposed $9,609 monthly rental rate represents a decrease of 10.5 percent or $1,129 from the FY 1989-90 monthly rental rate of $10,738. Mr. Romani states that the reason for the decrease is because the $9,609 was negotiated based on the current fair market rental for this property, which has decreased since the prior rental rate of $10,738 was negotiated.

3. Mr. Romani reports that the reason the request to renew this lease, which expired June 30, 1990, is being submitted at this time is because the Real Estate Department was exploring other possible sites, within close proximity to the Hall of Justice, for the relocation of the District Attorney. The District Attorney is considering relocation to another site because the building at 732 Brannan does not have an elevator and as such, the second floor is not handicapped accessible. However, Mr. Romani advises that the Department has not been able to find an alternate site. Therefore, the decision was made to renew the lease at 732 Brannan Street. Mr. Romani adds that First California Investments is attempting to resolve the problem of handicapped accessibility.

**Recommendation:** Approve the proposed resolution.

Item 1b - File 133-90-2

**Department:** Chief Administrative Officer (CAO) acting in the role of Local Hazard Mitigation Coordinator

**Item:** Resolution to apply for a new Federal grant (authority to accept and expend will be the subject of separate legislation)

**Amount:** The City is submitting an application for various projects. Since it is anticipated that only a few of these projects will actually be funded, the proposed resolution does not contain a specific amount.

**Source of Funds:** Federal Emergency Management Agency (FEMA) through the State Office of Emergency Services (OES)

**Description:** In March of 1990, the Board of Supervisors adopted by resolution (File 270-90-7) the City's Hazard Mitigation Plan for submission to the State OES as the first step necessary to become eligible for FEMA grant funds. The Hazard Mitigation Plan describes measures to reduce or eliminate threats to human life and property due to a future disaster. The Hazard Mitigation Plan summarizes the City's 22 current programs in areas such as emergency and community preparedness, seismic retrofit and building strengthening. The Hazard Mitigation Plan also details 45 mitigation measures which the City plans to pursue to prevent damage from future earthquakes.

On September 24, 1990, the City received notice from the State OES that approximately $20 to $30 million for FEMA grants is now available to the ten counties in the Loma Prieta Earthquake disaster area. Applications for FEMA grants were originally due by October 12, 1990, but this deadline has been extended to October 26, 1990. OES requires that submitted projects have a 50 percent local match available at the time of application.

Ms. Joan Lubamersky of the CAO's Office is coordinating the City's application for the FEMA grants. Ms. Lubamersky reports that she is reviewing and revising the list of 23 projects totalling $57,231,200 included in the Hazard Mitigation Plan (previously approved by the Board of Supervisors), for which a 50 percent match had already been identified in preparation for applying for the FEMA grants. The other 12 projects totalling $12,919,000, for which no match had been identified, have already been eliminated for consideration for the FEMA grant application. As of the writing of the report, the list of matched projects has been reduced to 21 projects totalling $54,831,200 which meet OES

requirements and will be considered further for inclusion in the FEMA grant application. According to Ms. Lubamersky, at this time, only the following general description of these projects is available (Ms. Lubamersky advised that further details will be presented directly to the Finance Committee at its meeting of October 10, 1990):

| | |
|---|---|
| Retrofit of Unreinforced Masonry Buildings (UMBs) | |
| Unreinforced Masonry Building loan training and education Program | $3,100,000 |
| Complete inventory of non-load bearing UMBs | 115,000 |
| Retrofit of Privately-owned Buildings | |
| Develop loan/grant and other programs to mitigate loss and damage to housing located on poor soils | 3,200,000 |
| Develop proposals for Building Code changes for construction located on poor soils | 500,000 |
| Retrofit foundations | 1,500,000 |
| Retrofit of Essential Public Facilities | |
| Upgrade Port facilities to seismic standards | |
| Phase I | 3,600,000 |
| Phase II | 3,050,000 |
| Phase III | 6,250,000 |
| Phase IV | 2,100,000 |
| Improve the capacity of shelving at the Library to withstand an earthquake | 13,200 |
| Assess and retrofit/reinforce San Francisco General and Laguna Honda Hospitals | 24,150,000 |
| Ensure that all Recreation and Park facilities are earthquake safe | 2,630,000 |
| Complete seismic analysis of selected San Francisco Unified School District buildings | 150,000 |

| | |
|---|---|
| Mitigation of Hazardous Materials Spills | |
| Improve response capability for hazardous material incidents | $152,500 |
| Improve Emergency Public Information | |
| Community preparedness through public information, outreach and training | 250,000 |
| Alternate or Mobile Emergency Operating Centers | |
| Provide disaster equipment for school district buildings | 210,500 |
| Expand Property Management System for emergency response | 500,000 |
| Provide assistance to non-profit service providers | 10,000 |
| Provide on-site generators for emergency power at key sewer plant facilities | 1,840,000 |
| Provide on-site generators for emergency power at key facilities of the Housing Authority | 725,000 |
| Provide on-site generators for emergency power at other key City facilities | 250,000 |
| Upgrade emergency plans | 50,000 |
| Purchase equipment to assist in emergency response | 300,000 |
| Special | |
| Update Community Safety Element of Master Plan | 185,000 |
| Total | $54,831,200 |

**Comments:**

1. Ms. Lubamersky indicates that although only approximately $20 to $30 million is available for FEMA grants additional funds may become available when FEMA finalizes their accounting for all damage in the disaster area. Ms. Lubamersky does not expect any additional grant funds to become available for at least six months.

2. As previously noted, the authority to accept and expend monies under this proposed FEMA grant will require subsequent separate approval by the Board of Supervisors.

**Recommendation:** Approve the proposed resolution.

Items 1c, 1d and 1e - Files 156-90-2, 156-90-3 and 156-90-4

**Agency:** Private Industry Council (PIC)

**Items:** Resolution approving the expenditure of Refugee Funds and authorizing the Private Industry Council to sign, enter into and execute the State contract for the use of Refugee Targeted Assistance Program (RTAP) Title VII Funds, retroactive to February 1, 1990 (File 156-90-2).

Resolution approving the expenditure of Refugee Funds and authorizing the Private Industry Council to sign, enter into and execute the State contract for the use of Refugee Employment Social Services Funds (RESS) retroactive to June 1, 1990 (File 156-90-3).

Resolution approving the expenditure of Refugee Funds and authorizing the Private Industry Council to sign, enter into and execute the State contract for the use of the Mutual Assistance Association (MAA) Incentive Funds, retroactive to July 1, 1990 (File 156-90-4).

**Description:** The Private Industry Council administers three sets of Refugee Funds on behalf of the City. These funds originate from the the Federal Office of Refugee Resettlement and are allocated to the City through the State Department of Social Services. The Refugee Targeted Assistance Program (RTAP) Title VII Funds and the Refugee Employment Social Services Funds (RESS) are used to provide employment and training services to refugees who are receiving public assistance. The Mutual Assistance Association (MAA) Incentive Funds are used to provide social adjustment and acculturation services to refugees including those who are not receiving public assistance.

The proposed RTAP, RESS and MAA Incentive Funds are described in detail as follows:

1. Refugee Targeted Assistance Program (RTAP) Title VII Funds (File 156-90-2)

(1) Grant Amount: $368,083

(2) Grant Period: February 1, 1990 to June 30, 1991

(3) Local Match: None

(4) Program Description:

The proposed resolution would provide $368,083 in RTAP Title VII funding, of which $309,965 would fund five subcontractors and support services and $58,118 would be designated for PIC administrative costs. The proposed funds would pay for services retroactively for the period February 1, 1990 to June 30, 1991. The RTAP Title VII funds would be allocated as follows:

Subcontractors

| | |
|---|---|
| International Rescue Committee | $60,000 |
| Refugee Employment Assistance Program | 65,994 |
| Center SE Asian Refugee Resettlement (On-the-Job-Training) | 32,544 |
| Center SE Asian Refugee Resettlement (Vocational Training) | 53,830 |
| Career Resources Development Center | 22,000 |
| Jewish Vocational Services | 20,000 |

Support Services

| | |
|---|---|
| Participant Support Services* | 13,597 |
| On-the-job training set aside** | 42,000 |
| Subtotal | $309,965 |
| PIC Administration Costs | 58,118 |
| Total | $368,083 |

*These funds are used to reimburse program participants for costs associated with attending employment and training services (i.e., transportation and child care).

** These funds are used to pay employers one-half of a program participant's salary for a minimum of one month to a maximum of six months. Each program participant is paid an average of $5.99 per hour.

2. Refugee Employment Social Services Funds (RESS) (File 156-90-3)

(1) Grant Amount: $314,183

(2) Grant Period: January 1, 1990 through September 30, 1992

(3) Local Match: None

(4) Program Description:

The Board of Supervisors previously approved RESS funding in the amount of $263,473. These funds were used to fund services for the period January 1, 1990 to May 30, 1990 (File 156-90-1). Of the $263,473 previously approved, $226,586 was earmarked to fund four subcontractors and support services and $36,887 was designated for PIC administrative costs. The proposed resolution would provide an additional $314,183 in RESS funding, of which $270,197 would fund the four subcontractors and support services and $43,986 would be designated for PIC administrative costs. These funds would be used to pay for services retroactively for the period June 1, 1990 to December 31, 1990. As noted above, the actual grant period is January 1, 1990 to September 30, 1992. PIC advises that additional funds will be allocated to the City to fund the refugee services from January 1, 1991 through September 30, 1992.

In the interim since the proposed legislation was drafted, the PIC has received notification from the State Department of Social Services that the City's RESS funds allocation has been decreased by $2,120 from $314,183 to $312,063. Of the $312,063, $268,374 is now designated for the four subcontractors and support services and $43,689 is for PIC administration. These funds would be allocated as follows:

| | RESS Funds Previously Approved 1/1/90 - 5/30/90 | Proposed RESS Funds 6/1/90-12/31/90 | Total Funding |
|---|---|---|---|
| Subcontractors | | | |
| International Rescue Committee | $55,479 | $98,416 | $153,895 |
| Refugee Employment Assistance Program | 68,453 | 67,997 | 136,450 |
| Center SE Asian Refugee Resettlement (On-the-Job Training services) | 13,998 | 13,906 | 27,904 |
| Center SE Asian Refugee Resettlement (Vocational Training) | 33,287 | 33,050 | 66,337 |
| Jewish Vocational Services/Career Center Resources Development Center | 36,000 | 35,762 | 71,762 |
| Support Services | | | |
| Participant Support Services | 12,500 | 12,427 | 24,927 |
| On-the-Job Training Set Aside | 6,869 | 6,816 | 13,685 |
| Subtotal | $226,586 | $268,374 | $494,960 |
| PIC Administration Costs | 36,887 | 43,689 | 80,576 |
| Total | $263,473 | $312,063 | $575,536 |

The PIC reports that an amount of $80,000, was incorrectly included on page two of the proposed resolution. The correct amount is $575,536, which is the combined total of $263,473 of previously approved funds plus $312,063 of proposed funds for the total RESS grant.

3. Mutual Assistance Association (MAA) Incentive Funds (File 156-90-4)

(1) Grant Amount: $37,294

(2) Grant Period: July 1, 1990 through September 30, 1992

(3) Local Match: None

(4) Program Description:

In the interim since the proposed legislation was drafted, the State has notified PIC that the City's allocation for MAA Incentive Funds will be in the amount of $37,175 or $119, less than the $37,294 included in the proposed legislation. Of the $37,175 in MAA Incentive Funds now approved, $30,913 would be used to fund Mutual Assistance Association Council (a subcontractor), $5,204 would fund PIC administration costs and $1,058 would be carried forward and expended for services in the next funding

cycle. The proposed funds would be used to pay for services retroactively for the period July 1, 1990 to May 31, 1991. As noted above, the actual grant period is July 1, 1990 to September 30, 1992. PIC advises that additional funds will be allocated to the City to fund the refugee services from June 1, 1991 to September 30, 1992.

**Comment:** Attached are the Summary of Grant Requests as prepared by PIC for the RTAP, RESS and MAA Incentive Funds.

**Recommendation:** 1. Approve the proposed resolution (File 156-90-2).

2. Amend lines 13 and 14 of the first page of proposed resolution (File 156-90-3) to change the amounts from $314,183 and $43,986 to $312,063 and $43,689, respectively. Also amend line 6 of the second page of the resolution to delete $80,000 and add $575,536.

3. Amend lines 8 and 11 of the proposed resolution (File 156-90-4) to change the amount from $37,294 and $5,594 to $37,175 and $5,204, respectively.

4. Approve the proposed resolutions as amended (Files 156-90-3 and 156-90-4).

## SUMMARY OF GRANT REQUEST

Resolution No.: 156-90-2 (RTAP VII)

Grantor: Refugee Immigration Program Branch/DSS
Contact Person: Mike White
Address: 744 'P' Street
Sacramento, CA 95814
Amount Requested: $368,082
Term: From: February 1, 1990 to: June 30, 1991

Agency: Private Industry Council of San Francisco, Inc.
Section: N/A
Contact Person: Steve Arcelona/Guillermo Casillas
Telephone: 621-6853
Application Deadline: N/A
Notification Expected: N/A
Board of Supervisors: Finance Committee -
Full Board -

I. Item Description: Request to apply for, accept and expend a new allocation grant in the amount of $368,082 from the period of February 1, 1990 to June 30, 1991 to provide employment and training services.

II. Summary:
To provide employment and training services to refugees receiving public assistance.

III. Outcomes/Objectives:
Training of refugees that leads to employment.

IV. Effects of Reduction or Termination of These Funds:
Reduce services for refugees and increase the financial burden for the City and County of San Francisco.

V. Financial Information:

| | Column A Initial | Column B Proposed | Column C Total Grant |
|---|---|---|---|
| Subcontract Services: | N/A | $309,965 | $309,965 |
| PIC Administration: | N/A | $58,118 | $58,118 |
| Total: | N/A | $368,083 | $368,083 |

VI. Data Processing: N/A

VII. Personnel: N/A
FT/CSC N/A
PT/CSC N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, how?
N/A

VIII. Contractual Services: Open Bid X X Sole Source _____

## SUMMARY OF GRANT REQUEST

Resolution No.: **156-90-3 (RESS)**

Grantor: **Refugee Immigration Program Branch/DSS**
Contact Person: **Mike White**
Address: **744 'P' Street**
**Sacramento, CA 95814**
Amount Requested: **$312,063**
Term: From: **January 1, 1990** to **September 30, 1992**

Agency: **Private Industry Council of San Francisco, Inc.**
Section: N/A
Contact Person: **Steve Arcelona/Guillermo Casillas**
Telephone: **621-6853**
Application Deadline: N/A
Notification Expected: N/A
Board of Supervisors: Finance Committee -
Full Board -

I. Item Description: Request to accept and expend a continuation augmentation to a grant in the amount of **$312,063** from the period of **January 1, 1990** to **September 30, 1992** to provide **employment and training services.**

II. Summary:
**To provide employment and training services to refugees receiving public assistance.**

III. Outcomes/Objectives:
**Training of refugees that leads to employment.**

IV. Effects of Reduction or Termination of These Funds:
**Reduce services for refugees and increase the financial burden for the City and County of San Francisco.**

V. Financial Information:

| | Column A Initial | Column B Proposed | Column C Total Grant |
|---|---|---|---|
| Subcontract Services: | $226,586 | $268,374 | $494,960 |
| PIC Administration: | 36,887 | 43,689 | 80,576 |
| Total: | $263,473 | $312,063 | $575,536 |

VI. Data Processing: N/A

VII. Personnel: N/A
FT/CSC N/A
PT/CSC N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, how?
N/A

VIII. Contractual Services: Open Bid XX Sole Source _____

## SUMMARY OF GRANT REQUEST

Resolution No.: 156-90-4 (MAA)

Grantor: **Refugee Immigration Program Branch/DSS**
Contact Person: **Mike White**
Address: **744 'P' Street**
**Sacramento, CA 95814**
Amount Requested: **$37,175**
Term: From: **July 1, 1990** to: **September 30, 1992**

Agency: **Private Industry Council of San Francisco, Inc.**
Section: N/A
Contact Person: **Steve Arcelona/Guillermo Casillas**
Telephone: **621-6853**
Application Deadline: N/A
Notification Expected: N/A
Board of Supervisors: Finance Committee -
Full Board -

I. Item Description: Request to apply for, accept and expend a new allocation grant in the amount of $37,175 from the period of **July 1, 1990** to **September 30, 1992** to provide **acculturation** services.

II. Summary:
**To provide acculturation services to refugees by a Mutual Assistance Association organization.**

III. Outcomes/Objectives:
**TO provide refugees with a better understanding of the systems and agencies with which they deal with on a daily basis (i.e., health, transportation, law enforcement, education, etc.).**

IV. Effects of Reduction or Termination of These Funds:
**Reduce services for refugees and increase the financial burden for the City and County of San Francisco.**

V. Financial Information:

| | Column A Initial | Column B Proposed | Column C Total Grant |
|---|---|---|---|
| Subcontract Services: | N/A | $30,913 | $30,913 |
| PIC Administration: | N/A | $5,204 | $5,204 |
| Carry-over: | N/A | 1,058 | 1,058 |
| Total: | N/A | $37,175 | $37,175 |

VI. Data Processing: N/A

VII. Personnel: N/A
FT/CSC N/A
PT/CSC N/A

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, how?
N/A

VIII. Contractual Services: Open Bid X X Sole Source _____

Item 1f - File 199-90-2

**Departments:** Real Estate Department
Recreation and Park Department (RPD)
Department of Public Health (DPH)

**Item:** Resolution transferring jurisdictional exchange of properties:

From RPD to DPH

Vacant triangular portion of McKinley Square Park (Lot 3 in Block 4091) on 21st Street between Potrero Avenue and Vermont Street consisting of 21,802 square feet (see Attachment "A").

From DPH to RPD

Park Emergency Hospital Building (In Block 1700) on Stanyan Street between Waller and Frederick Streets (RPD already has jurisdiction for the land) consisting of 2,733 square feet (see Attachment "B").

The proposed resolution would also adopt findings pursuant to City Planning Code Section 101.1

**Description:** The triangular portion of vacant land which belongs to RPD, was originally dedicated as a part of the McKinley Square Park. However, due to the construction of Highway 101, the triangular portion of land was separated and never developed or used as a park. In May of 1965 the Recreation and Park Commission declared that it had no further use of the triangular portion of McKinley Square Park.

Open Space guidelines require that land originally dedicated as a park may only be used for park or recreational purposes. However, the land may be used for non-park purposes if the Board of Supervisors finds that four specific requirements are met. The four requirements are as follows: (1) all or any portion of the park has not been used by the public for park purposes; (2) no funds have been paid for the land except by the City; (3) no public funds have been expended to improve the land as a park; and (4) the land was dedicated for park purposes by the recording of a plat map (map defining boundary lines) in the office of the County Recorder. RPD has reported that the triangular portion of land has met all of the above requirements.

DPH has requested the proposed transfer of property between RPD and DPH in order to obtain the triangular portion of land to be used for construction of a Mental Health Skilled Nursing Facility. In exchange, DPH would vacate and transfer to RPD the Park Emergency Hospital Building located on land under the jurisdiction of RPD. RPD states that there is a need for the Park Emergency Hospital Building, but as of yet the specific purpose has not been determined (see Comment 1). The Park Emergency Hospital Building is presently being used by the Paramedic Division of San Francisco General Hospital (SFGH). However, the Paramedic Division has determined that the Park Emergency Hospital Building location no longer meets their operational needs, and has agreed to relocate to another facility at 25th Street and Potrero Avenue.

As a result, the proposed resolution would authorize jurisdictional transfer from RPD of the vacated triangular portion of McKinley Square to the Department of Public Health in exchange for the Park Emergency Hospital Building being transferred by DPH to RPD.

**Comments:**

1. According to Ms. Debra Learner of RPD, RPD has not finalized plans to occupy the Emergency Hospital Building but is considering the following uses: a recreation center; a senior center; office space for RPD staff; or a historical site for the park. Ms. Learner reports that any needed funding for construction and rehabilitation would be financed either from Open Space and Park Renovation Fund monies or through a grant proposal.

2. According to Ms. Phyllis Harding of DPH, DPH has requested the transfer of the triangular portion of vacant land at McKinley Square in order to include an adolescent recreation center in the construction of a Skilled Mental Health Nursing Facility. The enclosed recreation center area would be available to residents of the Nursing Facility only. Ms. Harding reports that the construction of the new Skilled Mental Health Nursing Facility, including the cost of the adolescent recreation area, is included in a $26,000,000 General Obligation bond approved in November 1987 by the San Francisco voters. Ms. Harding adds that $3,000,000 of the bond funds have been approved by the Board of Supervisors for design and planning, however, the remaining $23,000,000 for construction and administrative costs is subject to future review by the Board of Supervisors.

4. Ms. Harding reports that should the proposed resolution be approved, the relocation of the Paramedic Division to the facility at 25th Street and Potrero Avenue would not take place until April of 1991. Ms. Harding states that the cost of the move was approved in the 1990-91 budget. However, due to the administrative delays in the negotiation of the lease, the costs for the new lease at 25th and Potrero have been recommended for reduction by the Mayor and the Finance Committee of the Board of Supervisors. The remaining funds would permit the lease to be effective in April of 1991.

5. Section 23.17 of the Administrative Code states that the transfer of properties between utilities under the jurisdiction of the Public Utilities Commission and other departments shall be paid for on the basis of historical cost, or when such data is not available, at a value as determined by the Director of Property. According to Mr. Larry Ritter of the Real Estate Department, since neither the RPD nor DPH are under the jurisdiction of the Public Utilities Commission, the transfer of these properties are not subject to Section 23.17 of the Administrative Code. Mr. Ritter adds that the relative value of the properties to RPD and DPH lies in their potential uses and not in their commercial market value.

6. DPH will conduct an asbestos assessment survey of the Park Emergency Hospital Building and will complete any required removal of asbestos before that facility is relinquished to the Recreation and Park Department.

7. The Department of City Planning has reported in a letter dated August 20, 1990 that the proposed jurisdictional transfers are in conformity with the Master Plan and consistent with the eight priority policies of City Planning Code Section 101.1.

**Recommendation:** Approve the proposed resolution.

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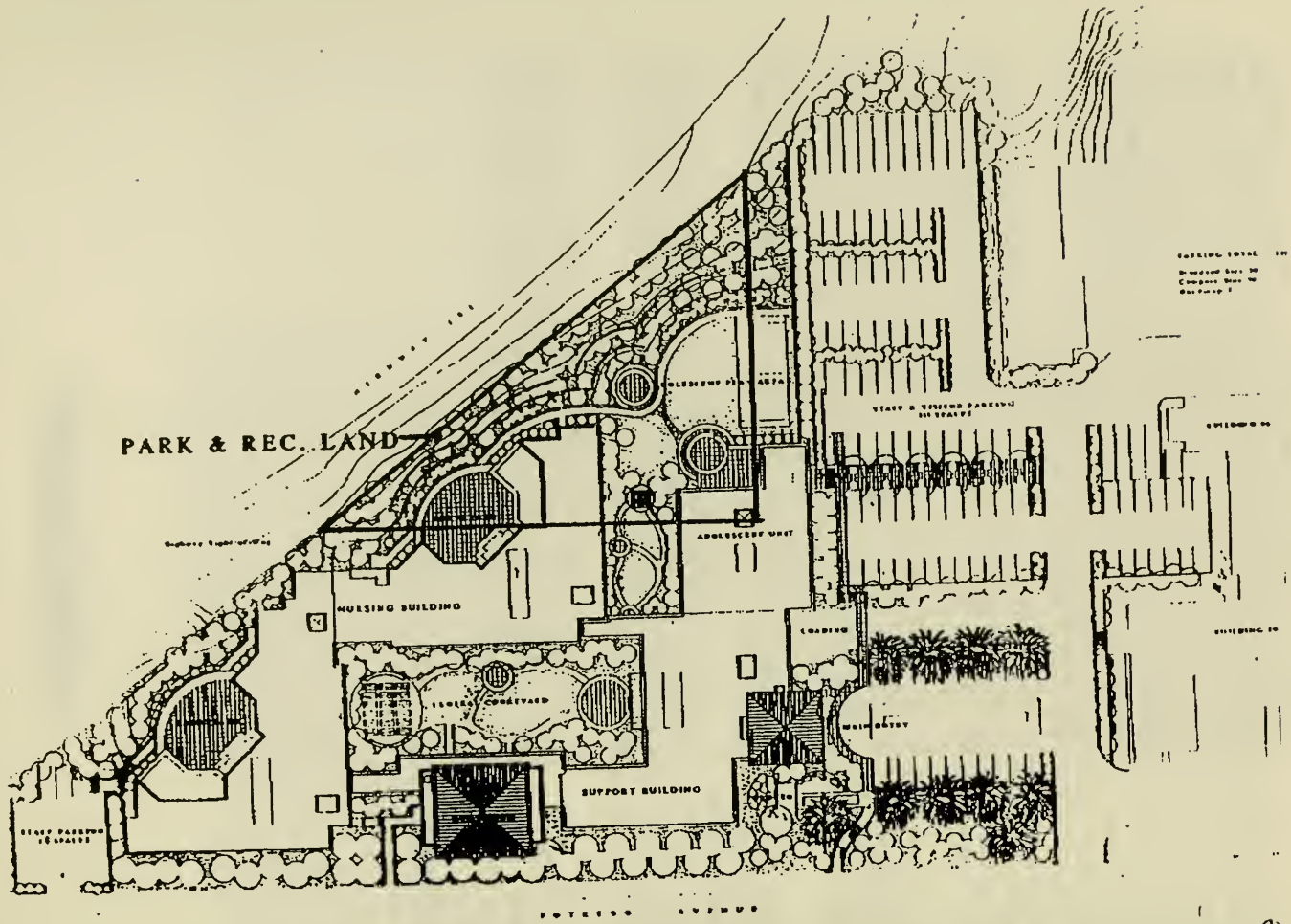
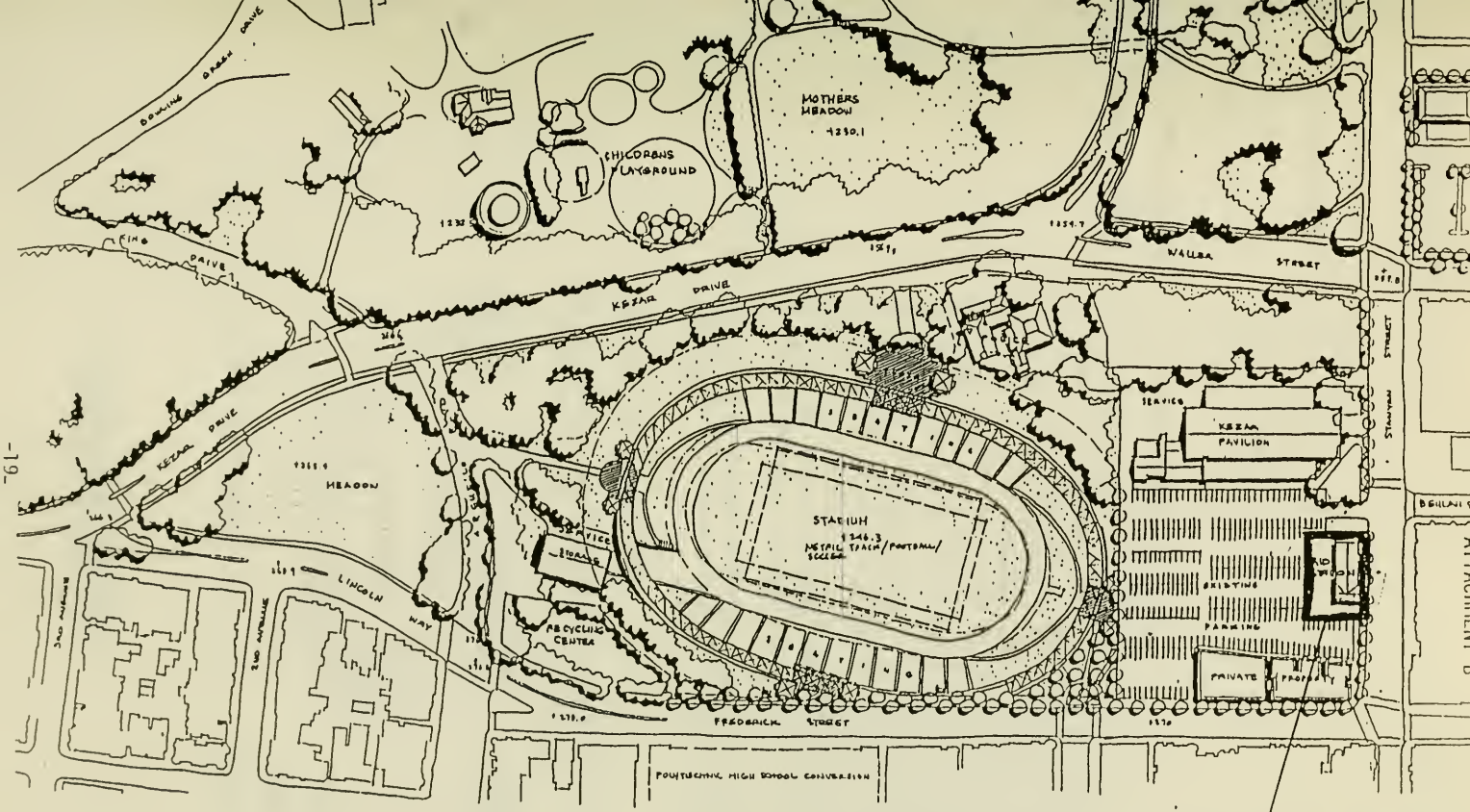



SAN FRANCISCO MENTAL HEALTH SKILLED NURSING CENTER

January 1990

ATTACHMENT A




PHASE I Park Emergency Hospit

KEZAR CORNER MASTER PLAN

SAN FRANCISCO, CALIFORNIA

| | |
|---|---|
| SAN FRANCISCO RECREATION AND PARKS DEPARTMENT | |
| SOZ INTERNATIONAL | ARCHITECTS |
| THE SWA GROUP | PLANNERS/LANDSCAPE ARCHITECTS |
| ECONOMIC RESEARCH ASSOCIATES | ECONOMICS |
| SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS | TRANSPORTATION |

0 60 120 180 240' APRIL 15, 1986 1" = 1'-0"

Item 1g - File 101-89-34.4

**Departments:** Public Library

**Item:** Release of reserve

**Amount:** $861,300

**Source of Funds:** 1988 Library Improvement Bond

**Description:** In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-89-34) to appropriate $11,366,423 in 1988 Library Improvement Bond funds to the Public Library. Of that amount, $3,940,277 was reserved pending submission to the Finance Committee of detailed information on the level and type of services to be provided by the Bureau of Architecture Project Manager ($175,000), issuance of a RFP for the independent outside consultant project manager for the new Main Library ($45,000) and submission of details of Miscellaneous Project Services ($428,807), Branch Library Improvements ($3,263,255) and Miscellaneous Costs ($28,215). The Finance Committee subsequently released reserves totalling $1,169,690 leaving a balance on reserve of $2,770,587.

The proposed release of the reserved funds of $861,300 from the $2,770,587 still on reserve would provide funding for the following:

| | |
|---|---|
| Presidio Branch renovation | $785,000 |

The estimated construction and related costs for renovating the Presidio Branch are as follows:

| | | |
|---|---|---|
| Construction Contract (estimate) | | $580,000 |
| Construction Contingency (10 percent) | | 58,000 |
| Department of Public Works | | |
| Bureau of Architecture: | | |
| Design | $11,700 | |
| Project Administration | 29,000 | |
| Inspection | 29,000 | |
| Total - Bureau of Architecture | | 69,700 |
| Bureau of Building Inspection: | | |
| Plan Checking | | 2,500 |
| Total Estimated Project Cost | | $710,200 |

According to Mr. Russ Abel of the Bureau of Architecture, the $785,000 originally requested for release includes $74,800 that has already been funded. Therefore, the proposed release of reserve should be reduced by $74,800 from $785,000 to the above estimated project cost of $710,200.

Additional Costs of Park Branch Renovation 23,000

The Finance Committee previously approved the release of reserve on funds totalling $800,000 for the estimated costs of the Park Branch renovations (File 101-89-34.3). Of that $800,000, the construction cost was estimated to require $650,000. However, the actual accepted bid for construction is $659,000 or $9,000 more than the original estimate ($659,000 less $650,000). The proposed release of reserve includes the additional $9,000 necessary to award the renovation contract.

Mr. Abel indicates that the balance of $14,000 ($23,000 less $9,000) is also needed to amend the basic construction contract to add a requirement that galvanized steel be used instead of non-galvanized steel for frame members and fasteners (galvanized steel has a coating that prevents rusting).

Rental of temporary quarters for the Library for the Blind 42,000

Because the Library for the Blind, operating on the second floor of the Presidio Branch Library building, is a regional facility and there is no other such facility available to the blind in the vicinity, the Library for the Blind must be relocated to temporary quarters while the Presidio Branch is closed for renovations. Ms. Kathy Page, Chief Librarian, reports that temporary quarters have been located at 1524 Fillmore Street at Geary Boulevard. The Library for the Blind would occupy 3,500 square feet at the Fillmore Street site (it currently occupies 3,800 square feet at the Presidio Branch) for a rent of $3,500 per month for twelve months ($3,500 for 12 months. is $42,000). However, only ten months ($35,000) will actually be needed based on a revised renovation schedule for the Presidio Branch according to Ms. Page. Therefore, the proposed

release of revenues should be reduced by $7,000 from $42,000 to $35,000.

Moving Costs - Park Branch, Presidio Branch, Library for the Blind and Sunset Branch $11,300

Itemized moving expenses are as follows:

| | |
|---|---|
| Park Branch | $3,800 |
| Presidio Branch | 2,500 |
| Library for the Blind | 2,500 |
| Sunset Branch | 2,500 |
| Total | $11,300 |

With the exception of the Library for the Blind that is temporarily moving to another location to continue operating during the renovation period, the other three branch moves consist of moving the books and equipment into storage during renovation. Ms. Page reports that informal bids were obtained from three moving companies and that the above estimates are based on the lowest informal bid of the three. The Park Branch estimate ($3,800) is for round trip moving. Funds for renovation of the Park Branch were previously released by the Finance Committee (File 101-89-34.3). The other three estimates (Presidio Branch, Library for the Blind and Sunset Branch - $2,500 each) are only for one-way moves to storage because Ms. Page indicates that the return moves from storage will occur in fiscal year 1991-92. Therefore, the release of reserve for the return moves from storage will be sought by a separate, future request to the Finance Committee.

**Comments:**

1. The proposed release of reserve includes $2,500 for moving the Sunset Branch books and equipment to storage. Actual renovation of the Sunset Branch is not expected to occur until the beginning of fiscal year 1991-92. Therefore, the necessary release of reserve for renovation (construction) funding will be requested separately in 1991-92.

2. As noted above, the requested release of reserve for the Presidio Branch renovations should be reduced by $74,800. Also as noted above, the amount of funds needed to rent temporary quarters to house the Library for the Blind has been revised from $42,000 for twelve months to $35,000 for ten months or a $7,000 reduction. The proposed release of reserve should be reduced accordingly. The total of these two reductions is $81,800 ($74,800 plus $7,000).

**Recommendation:** Release reserved funds in the amount of $779,500 or $81,800 less than requested as detailed in Comment 2, above. Continue to reserve the $81,800 not needed and the $1,909,287 balance not requested for release at this time ($2,770,587 less this request of $861,300). The total to continue on reserve is $1,991,087 ($1,909,287 plus $81,800).

Item 2 - File 47-90-12

1. The proposed ordinance would authorize the Director of Property on behalf of the Parking Authority to call for bids for a five-year lease of the Lombard Street Garage and would approve the required legal documents. Administrative Code Section 17.14 requires approval of the Board of Supervisors by ordinance as to the form of the lease documents and of the invitation for bids.

2. The Lombard Street Garage, located at 2055 Lombard Street, has 205 stalls and serves approximately 5,800 vehicles per month. Seven of the 205 parking stalls are reserved for the exclusive use of the United States Postal Service, from whom the lessee would receive no revenues. The current lease with Five Star Parking Company expires on January 31, 1991. The current monthly rental rate payable by Five Star to the City is 67.18 percent of gross revenues (net of parking tax) with a minimum required monthly rental payment of $10,000. The average monthly rent currently paid to the City is $10,000, the minimum monthly rent.

3. The proposed lease documents call for a minimum monthly rent of $5,000, or $5,000 less per month than the $10,000 minimum monthly rent under the existing lease. (See Comment No. 2 below)

4. The existing parking rates (tax included) to be charged by the lessee per automobile parked in said garage are as follows:

Hourly Parking

| | | | |
|---|---|---|---|
| Day Rates: | 9:00 a.m. - (Sunday, 11:00 a.m.) to 6:00 p.m. | | |
| 1 hour | | $ .75 | |
| 2 hours | | 1.50 | |
| 3 hours | | 2.50 | |
| 4 hours | | 4.00 | |
| 5 hours | | 5.00 | (maximum) |

Night Rates (after 6:00 p.m.):

| | | | |
|---|---|---|---|
| | Sunday and Monday | 6:00 p.m. - midnight | |
| | Tuesday and Wednesday | 6:00 p.m. - 1:00 a.m. | |
| | Thursday | 6:00 p.m. - 2:00 a.m. | |
| | Friday and Saturday | 6:00 p.m. - 3:00 a.m. | |
| 1 hour | | $1.00 | |
| 2 hours | | 2.00 | |
| 3 hours up to 24 hours | | 3.00 | (maximum) |
| Combined day and night rate | | $8.00 | |
| Overnight rate (6:00 p.m. through 10:00 a.m.) | | $3.00 | |

Monthly Parking: None

Motorcycle Parking: Same as automobile rates.

No changes to the parking rates are being proposed at this time.

5. The legal documents, as approved by both the Parking Authority and the City Attorney, include a draft Invitation For Bid, a draft bid form and a draft lease. The parking garage operation lease would be awarded to the highest responsible and responsive bid based on the percentage of gross receipts (the actual monthly rent paid to the City would be the greater of the minimum or the percentage of gross receipts amount).

## Comments

1. The proposed lease document would give the Parking Authority the authority to adjust the hourly parking rates during the first two years of the five-year agreement at its own discretion, without the Board of Supervisors approval. The purpose of that provision is to permit the Parking Authority to adjust the hourly rates as necessary in order to optimize revenues during the first two years for the City. After the second year of the lease, the hourly parking rates could not be changed except by resolution of the Board of Supervisors.

2. The lease document would decrease the minimum required monthly rental payment by $5,000 from $10,000 to $5,000 to help make the operation of the Lombard Garage economically feasible. According to Mr. Phil Chin of the Parking Authority, the combination of low Lombard Garage usage and relatively fixed operating expenses requires that the minimum monthly rent be reduced in order to obtain bids for the operation of the Lombard Garage. Mr. Chin advised the Budget Analyst that the present lessee, Five Star Parking Company, was left with only approximately $2,500 monthly to meet its expenses after paying the $10,000 monthly minimum to the City. As a result, Mr. Chin stated that Five Star is exercising its option to terminate the existing lease.

3. The actual award of a new lease will be subject to subsequent legislation adopted by the Board of Supervisors, approving the highest bidder. The proposed legislation simply approves the lease documents as to form and authorizes the Director of Property to seek competitive bids for the leasing of the Lombard Street Garage.

## Recommendation

Approval of this proposed ordinance which would permit the Parking Authority to adjust parking rates during the first two years of the new lease, without approval of the Board of Supervisors, is a policy decision for the Board.

Item 3 - File 65-90-5

| | |
|---|---|
| **Departments:** | Real Estate Department<br>Department of Public Works (DPW) |
| **Item:** | Ordinance authorizing a rental agreement between the City as lessor and Far West Laboratory as lessee to operate a Childcare Center. |
| **Location:** | 1800 Oakdale Avenue (Southeast Community Facility, a City-owned facility) |
| **Purpose of Agreement:** | Childcare Center |
| **Lessee:** | Far West Laboratory |
| **No. of Sq.Ft. and Cost/Month:** | 3,450 sq.ft. @ $0.75/sq.ft./mo. = $2,600 rent/month |
| **Annual Revenue:** | $31,200 |
| **% increase over prior year:** | 160% |
| **Utilities and Janitor Provided by City:** | Yes |
| **Term of Agreement:** | September 1, 1990 through August 31, 1991 |
| **Comments:** | 1. The Southeast Community Center contains 3,450 square feet of building space and an adjacent playground area. It has the capacity to be licensed for 45 pre-school children on a daily basis.<br><br>2. Far West Laboratory, a nonprofit agency, is the current Federal contractor operating the San Francisco Head Start Program, which provides pre-school educational services with childcare services components. Mr. Harry Quinn of the Real Estate Department reports that Far West Laboratory is currently occupying the Southeast Community Center and began the Head Start Program on January 16, 1990. Far West Laboratory has been leasing the facility on a month-to-month basis. The Board of Supervisors approved that lease (File 172-90-2) in January of 1990. |

3. Mr. Quinn states that the reason for the 160 percent increase is because the Southeast Facility Commission, which oversees the operation of the Southeast Community Center, has changed its policy of previously charging tenants only to recover the Center's expenses to the current policy of charging fair market value.

4. According to Mr. Quinn, Far West Laboratory is an interim Head Start Program grantee and has consented to operate the Head Start Program until a permanent childcare provider is selected by the Federal government.

5. Mr. Quinn reports that the proposed monthly rental amount of $2,600 represents the fair market rental of the space to be leased.

**Recommendation:** Approve the proposed ordinance.

Item 4 - File 84-90-3

**Departments:** Recreation and Park Department
Real Estate Department

**Item:** Resolution authorizing the City's acquisition of property for Open Space purposes and adopting findings pursuant to City Planning Code Section 101.1.

**Location:** San Francisco Assessor's Block 322, Lots 5 and 6. The proposed parcels are located on the north side of Ellis Street between Hyde and Leavenworth Streets.

**Property Description:** The proposed property consists of a vacant lot containing 18,906 square feet, which is paved and fenced for parking and an adjacent 7,453 square foot improved site which houses a two-story, plus basement, building containing 22,687 square feet. The property is owned by Handlery Hotels Inc., and the building site is currently leased to the State of California Department of General Services.

**Amount:** The proposed property would be purchased for the sum of $3,350,000. The $3,350,000 is $100,000 less than the $3,450,000 estimated fair market value for the proposed property (see Comment No. 5). An additional $15,000 is required for payment of title and escrow fees and possible relocation assistance payment to the State Department of General Services, the current lessee of the property.

**Funding Source:** Open Space Acquisition and Park Renovation Fund

**Comments:** 1. The Recreation and Park Commission has approved this acquisition for Open Space purposes and the funds are appropriated in the Department's FY 1990-91 budget. Mr. Tim Lilliquist of the Recreation and Park Department reports that the property would be purchased directly from monies currently available in the Open Space Acquisition and Park Renovation Fund. However, Mr. Lilliquist advises that once the property has been purchased the City would receive reimbursement of the entire purchase amount of $3,350,000, from State Bond Act Funds (1986 and 1988) which have been earmarked to offset the funds used to purchase this property.

2. The Department of City Planning reports that the proposed acquisition of the property, which is to be the site for the proposed Tenderloin Recreation Center, is in conformity with the Open Space Element of the City's Master Plan and is consistent with the eight priority policies of City Planning Code Section 101.1.

3. Mr. Lilliquist reports that the Department is in the process of developing plans and budget information for the Tenderloin Recreation Center and that the Department cannot provide specific budget details at this time. Mr. Lilliquist adds that there are sufficient funds currently available in the Open Space Acquisition and Park Renovation Fund to pay for the purchase of the property and the playground development. However, only a portion of the funds needed for the construction of the Tenderloin Recreation Center are currently available in the Open Space Acquisition and Park Renovation Fund.

4. Mr. Harry Quinn of the Real Estate Department reports that during the environmental review process, which was conducted by City Planning, seven gasoline and oil storage tanks were found on the site. Tests conducted by the Department of Public Health found that one of the storage tanks was leaking and had contaminated the area around the tank. Mr. Quinn advises that, as a result of this finding, the purchase agreement provides that $300,000 of the $3,350,000 purchase price will be held in escrow, to be used by Handlery Hotels Inc., to hire a contractor to remove the seven tanks and contaminated soil, perform lead decontamination and to install water monitoring wells. According to Mr. Quinn, the $300,000 is an estimate of the cost to remove the tanks and contaminated soil, perform lead decontamination and to install water monitoring wells, based on the contractor's preliminary estimate of approximately $300,000 to perform the work.

5. Mr. Quinn advises that if the clean-up of the site exceeds the $300,000 held in escrow, the purchase agreement provides that the City would contribute 50 percent of any additional cost up to but not to exceed $100,000. Mr. Quinn reports that the Department negotiated this condition as a part of the purchase agreement in lieu of the City paying the full estimated fair market purchase amount of $3,450,000 for the property. The $100,000 would be funded from monies currently available in the Open Space Acquisition and Park Renovation Fund and/or State grant monies. Mr. Quinn adds that Handlery Hotels Inc. has filed a claim with the State Board of Control against the Department of General Services for the cost of the clean up. Mr. Quinn advises that, according to the terms of the purchase agreement, if Handlery Hotels Inc. receives funds from the State, as a result of the claim, the City would be entitled to reimbursement from Handlery Hotels Inc., for any contribution which the City made in connection with the clean up.

6. According to the Real Estate Department, the current assessed valuation of the property to be acquired is $617,906. Based on the 1990-91 fiscal year tax rate of $1.09 per $100 of assessed valuation, the taxes paid to the City on the property are currently $6,735. Once the City purchases the property, no taxes would be paid to the City.

**Recommendation:** Approval of Open Space Acquisitions are policy matters for the Board of Supervisors.

Item 5 - File 127-90-4

**Note:** This item was disapproved by the Board of Supervisors at its meeting of September 17, 1990 and is being reconsidered by the Finance Committee based on the request of the Mayor. An Amendment of the Whole may be presented to the Finance Committee on October 10, 1990 to reflect the Mayor's proposed changes. However, the following report analyzes the existing proposed legislation because, as of the writing of this report, the Budget Analyst has not received a proposed Amendment of the Whole.

The proposed ordinance would amend Part III, Article 12C, Section 1102 of the San Francisco Municipal Code to increase the real property transfer tax rate from $2.50 to $3.73 for each $500 of consideration of value and delete the exemption for assumed indebtedness from the real property transfer tax. The proposed ordinance would take effect on November 5, 1990.

Part III, Article 12C, Section 1102 of the City's Municipal Code currently states that for each deed for which any land or other property sold within the City and County of San Francisco is transferred or otherwise conveyed to any other person or persons, when the value of the interest or property conveyed exceeds $100, a tax at the rate of $2.50 for each $500 or fraction thereof shall be imposed. This tax is referred to as the real property transfer tax. The existing real property transfer tax provisions also exclude the value of any lien or encumbrance remaining at the time of the sale from the $2.50 for each $500 of value.

The proposed ordinance would increase the current real property transfer tax rate from $2.50 to $3.73 per $500 of property value. The proposed increase of $3.73 per $500 of property value represents a 49 percent increase in the City's real property transfer tax rate. In addition, the proposed ordinance would delete the City's existing provision which excludes the value of any lien or encumbrance remaining at the time of the sale from the real property transfer tax if the buyer purchases the property and assumes the seller's existing financing.

## Analysis

1. The exclusion of the value of any lien or encumbrance remaining at the time of the sale, which is the case under the existing ordinance, means that if a buyer purchases property and assumes the seller's existing financing, then the amount assumed is not subject to the City's real property transfer tax. For example, as shown in the chart below, if a buyer purchases a $300,000 home, and has an equity of $60,000, and assumes the seller's existing financing of $240,000, then the amount of real property transfer tax owed to the City based on the existing rate of $2.50 x $500 of value would be $300 ($2.50 x $500 per $60,000). Under the proposed new ordinance, using the same $300,000 home example, whereby the existing lien (mortgage) or encumbrance is assumed, the house would be taxed under the proposed new rate of $3.73 x $500 of value and the amount of real property transfer tax owed to the City would be $2,238 ($3.73 x $500 per $300,000). Using this example, the real property transfer tax would increase from $300 to $2,238, an increase of $1,938, or a 646 percent increase.

| | Existing | Proposed |
|---|---|---|
| Purchase Price | $300,000 | $300,000 |
| 20 % Equity | 60,000 | 60,000 |
| Assumption of Financing | 240,000 | 240,000 |
| Property Value for Transfer Tax | $60,000 | $300,000 |
| Transfer Tax Rate Per $500 | 2.50 | 3.73 |
| Property Transfer Tax Owed | 300 | 2,238 |

2. If a buyer does not assume the seller's existing financing and secures new financing to purchase property, then under both the existing and the proposed legislation, the full sales price value of the property is used to determine the City's real property transfer tax. For example, as shown below, if a buyer purchases a $300,000 home, places a 20 percent downpayment, or $60,000, and seeks a new loan from a bank for the $240,000 balance, then the amount of real property transfer tax owed to the City based on the existing rate of $2.50 per $500 of value would be $1,500 ($2.50 x $500 per $300,000). Under the proposed ordinance, the real property transfer tax owed to the City would be $2,238 ($3.73 x $500 per $300,000), an increase of $738, or a 49 percent increase.

| | Existing | Proposed |
|---|---|---|
| Purchase Price | $300,000 | $300,000 |
| 20 % Downpayment | 60,000 | 60,000 |
| New Financing | 240,000 | 240,000 |
| Property Value for Transfer Tax | $300,000 | $300,000 |
| Transfer Tax Rate Per $500 | 2.50 | 3.73 |
| Property Transfer Tax Owed | 1,500 | 2,238 |

3. According to Mr. Bruce Jamison of the Recorder's Office, a study in 1988, based on a random selection of 1,000 taxable conveyances processed through the Recorder's Office found that in approximately 30 percent of the property values conveyed through the Recorder's Office, the buyer assumed the seller's existing financing. However, based on a more recent Mayor's Office of Housing analysis of all transfers recorded in the Recorder's Office between April and June, 1990, use of the exemption from the tax for assumed indebtedness represented approximately 15 percent of the value of the transactions. The amount of financing assumed will vary depending on current interest rates, the interest rates of the assumable mortgages, the ability of the seller to offer such financing, the desire of the buyer to assume the mortgage, etc. It is interesting to note however, that based on the Mayor's Office of Housing analysis, the elimination of the exemption granted for assumed indebtedness would have not have a significant effect on most smaller residential sales because, of the exemptions surveyed, only an estimated six percent were for single family, duplex and triplex residential resales, while the remaining 94 percent were for large apartment and commercial sales.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

4. In the 1990-91 Annual Appropriation Ordinance, the current real property transfer tax is estimated to generate $21 million of revenue for the City. As shown below, given that the transfer tax rate is proposed to increase from $2.50 to $3.73 per $500 of value, a 49 percent increase, it is projected that the existing $21 million of annual transfer tax revenues would also increase approximately 49 percent or an increase of $10.29 million on an annualized basis, for a total of approximately $31.29 million on an annualized basis. In addition, based on the Mayor's Office of Housing analysis of all transfers recorded in the Recorder's Office between April and June, 1990, the elimination of the exemption from the tax for assumed indebtedness would increase tax revenues by an additional $4.69 million on an annualized basis (15 percent x $31.29 million). Together, these two provisions in the proposed ordinance are projected to increase City transfer tax revenues by $14.98 million on an annualized basis ($10.29 million + $4.69 million) from $21 million to approximately $35.98 million per year, an increase of 71 percent, as follows:

| | |
|---|---|
| Current Revenues | $21.00 million |
| Percent Increase in Rate | x 49 % |
| Projected Increased Revenues from Rate Increase | $10.29 million |
| Subtotal Revenues from Rate Increase | $31.29 million |
| Projected Percent Increase from Elimination of Exemption | x 15 % |
| Projected Add. Revenues from Elimination of Exemption | $4.69 million |
| Total Annual Revenues Projected | $35.98 million |

The above revenue estimates represent a complete fiscal year.

5. However, the proposed legislation specifies that the proposed ordinance would take effect on November 5, 1990. For the approximately eight months between November 5, 1990 and June 30, 1991, the estimated additional revenue for would be approximately $9.98 million. Together, the current estimated revenues of $21 million and the estimated additional revenues of $9.98 million would generate a total of approximately $30.98 million in fiscal year 1990-91, assuming a November 5, 1990 effective date.

6. Mr. John Madden of the Controller's Office reports that if the proposed legislation is approved, the amount of revenues that the Controller's Office will certify will be subject to further review by the Controller's Office due to the recent slowdown in the economy.

7. It should be noted that an ordinance just to delete the exemption from the real property transfer tax (with no increase in the current tax rate) is pending before the Board of Supervisors. That ordinance would generate estimated increased revenues of $3.15 annually. However, due to the recent slowdown in the real estate market, the Controller has certified only $1.2 million for the next six-months.

Comments

1. Mr. Jamison reports that the general practice in San Francisco is for the seller to pay the real property transfer tax. However, there is no legal requirement that the seller must pay the tax and the payment of the transfer tax can be negotiated between the seller and buyer during the purchase of the property. According to Mr. Jamison, both the buyer and the seller are legally liable for payment of the property transfer tax.

2. Based on discussions with Mr. Jamison, if the proposed ordinance is approved, consideration should be given to delaying the effective date of the legislation for 30 days to provide adequate notice to all real estate companies and title companies of the changes in the City's transfer tax rate. Providing such time will enable properties that have not entered escrow to include sufficient funds to pay the new taxes.

3. Mr. Jamison also reports that if the proposed legislation is approved, the Recorder's Office may need additional monitoring staff to insure compliance with the new ordinance. According to Mr. Jamison, the Recorder's Office currently monitors at least five percent of all transactions. In most cases, there is voluntary compliance. However, Mr. Jamison states that given the significant increase in the proposed rates, the voluntary compliance rate may decrease. Mr. Jamison estimates one additional 4308 Senior Collections Officer position would be needed at an annual 1990-91 salary and fringe benefit cost of approximately $49,000.

4. Mr Jamison also advises that the Recorder's Office would prefer that the proposed ordinance to increase the rate to $3.73 per $500 of value be rounded up to $3.75 per $500 of value for administrative ease. According to Mr. Jamison, a more even amount such as the current $2.50 per $500 of value is easier to check for calculation errors. The Recorder's Office therefore requests that any proposed new rate be similarly rounded off to the nearest $$0.05.

5. A survey conducted by the Recorder's Office of property transfer taxes charged in neighboring San Francisco Bay Area communities found that all counties in California charge a rate of $1.10 per $1,000 of property value ($0.55 per $500) and have a provision for the exemption of liens and encumbrances, or assumed indebtedness. Within each county, chartered cities may charge an additional property transfer tax. All of the Bay Area cities that charge additional transfer taxes do not have an exemption for liens and encumbrances and therefore these cities base their additional city transfer tax on the full value of the property.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

The following chart identifies the five Bay Area counties' transfer tax rates and lists the cities located within each of these five counties that charge transfer taxes.

| County/City | County Transfer Tax per $500 of Value | City Transfer Tax per $500 of Value | Total Transfer Tax per $500 of Value |
|---|---|---|---|
| Alameda County | | | |
| City of Alameda | $0.55 | $2.20 | $2.75 |
| City of Albany | 0.55 | 2.20 | 2.75 |
| City of Berkeley | 0.55 | 5.00 | 5.55 |
| City of Oakland | 0.55 | 4.75 | 5.30 |
| City of Piedmont | 0.55 | 2.20 | 2.75 |
| Contra Costa County | 0.55 | 0 | 0.55 |
| No cities in Contra Costa County charge an additional transfer tax. | | | |
| Marin County | | | |
| San Rafael | 0.55 | .20 | 0.75 |
| San Mateo County | | | |
| City of San Mateo | 0.55 | 2.50 | 3.05 |
| Santa Clara County | | | |
| City of San Jose | 0.55 | 1.65 | 2.20 |
| City of Mountain View | 0.55 | 1.65 | 2.20 |

Based on the above data, if the proposed property transfer tax is increased in San Francisco to $3.73 per $500 of property value, other than the City of Berkeley and the City of Oakland, San Francisco will have the highest property transfer taxes in the Bay Area. However, as reported by Mr. Jamison, the City of Berkeley has a provision in their property transfer tax that excludes all personal residences if occupied for more than five years from paying any property transfer tax, when the property is sold. The City of Oakland has recently been sued because of its increased transfer taxes. However, as of the writing of this report, the courts have ruled in favor of the City increasing its transfer tax rates. Most cities in the Bay Area do not charge an additional property transfer tax.

6. State Proposition 136, which is on the November, 1990 ballot, would prohibit the City from increasing the transfer tax rates. Specifically, State Proposition 136 provides that in keeping with the spirit of Proposition 13, except as provided in Article XIII A, Sections 1 and 2 of the California Constitution, no new ad valorem taxes on real property or sales or transaction taxes (i.e., real property transfer taxes) may be imposed. If the proposed Proposition 136 is approved by the voters, no additional transfer taxes could be imposed after the November, 1990 election.

**Recommendation**

Approval of the proposed ordinance to increase the City's real property transfer tax from $2.50 to $3.73 per $500 of value and to delete the exemption for assumed indebtedness from the real property transfer tax is a policy matter for the Board of Supervisors.

If the proposed ordinance is approved, consideration should be given to rounding off the $3.73 rate to the nearest $0.05, or $3.75, as requested by the Recorder's Office for administrative ease.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
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# CALENDAR - [ACTIONS TAKEN]
# MEETING OF
# FINANCE COMMITTEE
# BOARD OF SUPERVISORS
# CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, OCTOBER 17, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

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## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 28-90-19. [Emergency Water Purchase] Approving emergency expenditure of $3 million dollars for the purchase and transfer of water from Placer County Water Agency to San Francisco Water Department. (Public Utilities Commission)

   b) File 31-90-6. [Immediate Filling] Resolution approving immediate filling of one position Classification 7136 Water Shops and Equipment Superintendent, San Francisco Water Department, Public Utilities Commission. (Public Utilities Commission)

   c) File 31-90-7. [Immediate Filling] Resolution approving immediate filling of one position Classification 6252 Line Inspector, Bureau of Light, Heat and Power, Public Utilities Commission. (Public Utilities Commission)

   d) File 31-90-8. [Immediate Filling] Resolution approving immediate filling of one position Classification 7254 Automotive Machinist Supervisor I, San Francisco Water Department, Public Utilities Commission. (Public Utilities Commission)

   e) File 38-90-15. [Acceptance of a Gift] Resolution accepting a gift of computer equipment, valued at $16,114, from Apple Computer Corporation, for use by the Recreation and Park Department (Harvey Milk Recreational Arts Building). (Recreation and Park Department)

f) File 68-90-16. [Grant - Federal Funds] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend funds in the amount of $500,000 made available through the Office for Substance Abuse Prevention for a project entitled "The Community Partnership Program". (Mayor)

g) File 146-90-73. [Grant - Federal through State] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to apply for, accept and expend a grant up to the amount of $4,795,470 from the United States Department of Health and Human Services/Alcohol, Drug and Mental Health Administration/Office for treatment improvement through the State of California, Department of Alcohol and Drug Programs to enhance existing drug abuse treatment programs in order to provide services to critical populations. (Mayor)

h) File 146-90-74. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services, to apply for, accept and expend a grant of $283,000 from the State Office of Mental Health for consultation education and information services; this is an addendum to the San Francisco City and County Short-Doyle Plan for Mental Health Services in Fiscal Year 1990-91, Part A. (Mayor)

i) File 146-90-75. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services, to apply for, accept and expend a grant of $36,911 from the State Office Department of Mental Health for primary prevention in the schools project. (Mayor)

j) File 153-90-5. [Grant Application] Resolution authorizing the Department of Social Services to apply for, accept and expend a grant from the California Youth Authority in the amount of $30,000 to provide a portion of the salary of a child welfare worker in the homeless youth unit in the Family and Children's Service Division. (Department of Social Services)

ACTION: ITEMS 1a, 1e, 1f, 1g, 1h, 1i, and 1j SEVERED. REMAINDER OF CONSENT CALENDAR RECOMMENDED.

ITEM 1a, File 28-90-19. RECOMMENDED.

ITEM 1e, File 38-90-15. RECOMMENDED.

ITEM 1f, File 68-90-16. AMENDED. (See File for detail.) NEW TITLE: "[Grant - Federal Funds] RESOLUTION AUTHORIZING THE MAYOR OF THE CITY AND COUNTY OF SAN FRANCISCO TO APPLY FOR, ACCEPT AND EXPEND FUNDS IN THE AMOUNT OF $500,000 MADE AVAILABLE THROUGH THE OFFICE FOR SUBSTANCE ABUSE PREVENTION FOR A PROJECT ENTITLED 'THE COMMUNITY PARTNERSHIP PROGRAM'; PLACING $318,093 ON RESERVE; PROVIDING FOR RATIFICATION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED. (SUPERVISOR MAHER DISSENTING IN COMMITTEE.)

ITEM 1g, File 146-90-73. AMENDED. (See File for detail.) NEW TITLE: "[Grant - Federal through State] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, COMMUNITY SUBSTANCE ABUSE SERVICES, TO APPLY FOR, ACCEPT AND EXPEND A GRANT UP TO THE AMOUNT OF $1,312,923 FROM THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES/ALCOHOL, DRUG AND MENTAL HEALTH ADMINISTRATION/OFFICE FOR TREATMENT IMPROVEMENT THROUGH THE STATE OF CALIFORNIA, DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS TO ENHANCE EXISTING DRUG ABUSE TREATMENT PROGRAMS IN ORDER TO PROVIDE SERVICES TO CRITICAL POPULATIONS; PLACING $215,365 ON RESERVE; AND PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED. (SUPERVISOR MAHER DISSENTING IN COMMITTEE.)

ITEM 1h, File 146-90-74. AMENDED (See File for detail.) NEW TITLE: [Grant - State Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, DIVISION OF MENTAL HEALTH, SUBSTANCE ABUSE AND FORENSIC SERVICES, TO APPLY FOR, ACCEPT AND EXPEND A GRANT OF $283,000 FROM THE STATE OFFICE OF MENTAL HEALTH FOR CONSULTATION EDUCATION AND INFORMATION SERVICES; THIS IS AN ADDENDUM TO THE SAN FRANCISCO CITY AND COUNTY SHORT-DOYLE PLAN FOR MENTAL HEALTH SERVICES IN FISCAL YEAR 1990-91, PART A; PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED. (SUPERVISOR MAHER DISSENTING IN COMMITTEE.)

ITEM 1i, File 146-90-75. AMENDED. (See File for detail.) NEW TITLE: "[Grant - State Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, DIVISION OF MENTAL HEALTH, SUBSTANCE ABUSE AND FORENSIC SERVICES, TO APPLY FOR, ACCEPT AND EXPEND A GRANT OF $36,911 FROM THE STATE OFFICE DEPARTMENT OF MENTAL HEALTH FOR PRIMARY PREVENTION IN THE SCHOOLS PROJECT; PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED.

ITEM 1j, File 153-90-5. AMENDED. (See File for detail.) NEW TITLE: "[Grant Application] RESOLUTION AUTHORIZING THE DEPARTMENT OF SOCIAL SERVICES TO APPLY FOR, ACCEPT AND EXPEND A GRANT FROM THE CALIFORNIA YOUTH AUTHORITY IN THE AMOUNT OF $30,000 TO PROVIDE A PORTION OF THE SALARY OF A CHILD WELFARE WORKER IN THE HOMELESS YOUTH UNIT IN THE FAMILY AND CHILDREN'S SERVICE DIVISION; PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED.

REGULAR CALENDAR

2. File 203-90-2. [Quitclaim Deed] Ordinance authorizing and directing execution of quitclaim deed by City and County of San Francisco to San Francisco Unified School District, a political subdivision of the State of California, for twenty-four school properties and accepting a quitclaim deed to eleven properties used by other City departments from San Francisco Unified School District; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

ACTION: RECOMMENDED.

3. File 97-90-46. [General Assistance - Income Disregard] Ordinance amending Administrative Code by amending Section 20.57 to add monthly eligibility and asset disregard provisions to the income and asset disregard program. (Supervisor Walker)

   ACTION: CONTINUED TO 10/31/90.

4. File 84-90-4 [Acquisition of Property] Resolution authorizing the City and County of San Francisco to execute an assignment of purchase option agreement from the San Francisco Redevelopment Agency and authorizing acquisition of City and County of San Francisco Assessor's Parcel Block 694 Lot 4, 1001 Polk Street, and to adopt findings pursuant to City Planning Code Section 101.1. (Supervisor Walker)

   ACTION: AMENDMENT OF THE WHOLE BEARING SAME TITLE ADOPTED. RECOMMENDED AS AMENDED.

5. File 127-90-4. [Real Property Transfer Tax Increase] Ordinance amending Article 12C of Part III, Municipal Code, imposing a real property transfer tax, by amending Section 1102 thereof to increase the real property transfer tax rate from $2.50 for each $500 of consideration or value to $3.73 for each $500 of consideration or value, and by deleting the exemption from the tax for assumed indebtedness; setting the effective date. (Supervisor Walker)

   (Continued from 10/10/90.)

   ACTION: AMENDED. (See File for detail.) NEW TITLE: "[Real Property Transfer Tax Increase] ORDINANCE AMENDING ARTICLE 12C OF PART III, MUNICIPAL CODE, IMPOSING A REAL PROPERTY TRANSFER TAX, BY AMENDING SECTION 1102 THEREOF TO INCREASE THE REAL PROPERTY TRANSFER TAX RATE FROM $2.50 FOR EACH $500 OF CONSIDERATION OR VALUE TO $5.00 FOR EACH $500 OF CONSIDERATION OR VALUE, FOR TRANSACTIONS IN WHICH THE CONSIDERATION EXCEEDS $300,000." RECOMMENDED AS AMENDED. (SUPERVISOR MAHER DISSENTING IN COMMITTEE.)

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ATTN: Gerry Roth

25

CITY AND COUNTY OF SAN FRANCISCO

7/90

# BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

October 17, 1990

**TO:** Finance Committee

**FROM:** Budget Analyst - recommendations

**SUBJECT:** October 17, 1990 Finance Committee Meeting

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Item 1a - File 28-90-19

**Department:** Water Department

**Item:** Emergency Resolution. Section 6.30 of the San Francisco Administrative Code requires Board of Supervisors approval for emergency expenditures in excess of $25,000.

**Description:** San Francisco, as well as many other Bay Area Counties, is experiencing a water shortage and instituted a water rationing program in May, 1990.

Mr. John Mullane, General Manager of the Water Department reports that San Francisco's reservoirs have a total capacity of approximately 1,465,084 acre feet (an acre foot of water is 325,851 gallons) of water but due to the drought weather conditions of the last few years these reservoirs are only 33.2 percent full at this time. According to Mr. Mullane, even at reduced (rationing program) rates of water usage, the current reservoir level would last only about 1.79 years if the drought continues at the same level of rainfall as experienced during the last four years.

On September 20, 1990, the Placer County Water Agency (PCWA) offered to sell the San Francisco Water Department 15,000 acre feet of PCWA's surplus water for $2.5 million. The Water Department would require an additional $0.5 million for water treatment supplies for a total cost of $3 million. PCWA requires that the contract for the water sale be executed by November 1, 1990. Therefore, there is

insufficient time to pursue normal contract procedures and still meet the November 1, 1990, deadline.

Funding for the proposed water purchase would come from the Water Department's 1990-91 budget for a capital project to install a 36-inch water main in Noe Valley. The total project budget is $3.4 million. Only approximately $0.4 million is needed for design work and $3.0 million is for construction which is not expected to begin before May of 1991. Therefore, the $3.0 million can be diverted for the proposed water purchase and Mr. Mullane indicates that the $3 million for the Noe Valley water main construction funding will be requested in the 1991-92 annual budget.

**Comments:**

1. According to Mr. Mullane, there would be no increase in water rates to the consumers as a result of this proposed water purchase from the Placer County Water Agency.

2. Mr. Mullane indicates that the $2.5 million cost for 15,000 acre feet of water is a reasonable cost considering the shortage of water in San Francisco's reservoirs and the lack of surplus water, Statewide, available for purchase by San Francisco. Mr. Mullane states that the PCWA surplus water is the only water available for purchase to ease San Francisco's shortage.

**Recommendation:** Approve the proposed resolution.

Item 1b - File 31-90-6

| | |
|---|---|
| **Department:** | Public Utilities Commission (PUC)<br>Water Department |
| **Item:** | Resolution approving the immediate filling of a vacant position in accordance with Section 10 Subsection 1 of the Annual Appropriation Ordinance. |
| **Position:** | 7136 Water Shops and Equipment Superintendent |
| **Annual Salary at Top Step:** | $61,490 |
| **Retirement Date:** | September 28, 1990 |
| **Normal Refill Date:** | March 15, 1991 |
| **Requested Refill Date:** | October 29, 1990 |
| **Funding Needed:** | $23,650 |
| **Proposed Funding Source:** | Surplus Salary Savings |
| **Description:** | Section 10, Subsection 1 of the current Annual Appropriation Ordinance permits immediate filling of a position left vacant due to death or retirement of an incumbent when a lump sum payment is make for accumulated sick leave and vacation. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the General Manager, Personnel and the Mayor and approval by resolution of the Board of Supervisors. |
| **Comments:** | 1. A 7136 Water Shops and Equipment Superintendent retired on September 28, 1990 and was paid for 960 hours of vested sick leave which prevents refilling this position before March 15,1991 unless this resolution is approved. The funding needed would allow the vacant position to be filled at the top step. |

2. Mr. Carlos Jacobo of PUC reports that the 7136 Water Shops and Equipment Superintendent position oversees the operation and maintenance of all mechanical equipment for the Water Department, as well as the specifying and purchasing of all major Departmental equipment. The Water Shops and Equipment Superintendent is solely responsible for 45 employees in the Water Department's Machine Shop, Auto Shop, Meter Shop and the Carpenter Shop at the City Distribution Division.

3. Mr. Jacobo states that the loss of the Water Shops and Equipment Superintendent over a prolonged period of time would seriously impact the effectiveness to supervise the operation, maintenance and purchasing of all mechanical equipment for the Water Department.

**Recommendation:** Approve the proposed resolution.

Item 1c - File 31-90-7

| | |
|---|---|
| **Department:** | Public Utilities Commission (PUC)<br>Bureau of Light, Heat and Power |
| **Item:** | Resolution approving the immediate filling of a vacant position in accordance with Section 10 Subsection 1 of the Annual Appropriation Ordinance. |
| **Position:** | 6252 Line Inspector |
| **Annual Salary at Top Step:** | $59,124 |
| **Retirement Date:** | August 14, 1990 |
| **Normal Refill Date:** | February 8, 1991 |
| **Requested Refill Date:** | October 29, 1990 |
| **Funding Needed:** | $16,828 |
| **Proposed Funding Source:** | Other Contractual Services |
| **Description:** | Section 10, Subsection 1 of the current Annual Appropriation Ordinance permits immediate filling of a position left vacant due to death or retirement of an incumbent when a lump sum payment is make for accumulated sick leave and vacation. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the General Manager, Personnel and the Mayor and approval by resolution of the Board of Supervisors. |
| **Comments:** | 1. A 6252 Line Inspector, assigned to the Bureau of Light, Heat and Power, retired on August 14, 1990 and was paid for 1,016 hours of vested sick leave which prevents refilling this position before February 8, 1991. The funding needed would allow the vacant position to be filled at the top step. |

2. According to Mr. Carlos Jacobo of PUC, the 6252 Line Inspector is solely responsible for programming, maintenance and repair work of streetlighting, and supervising the field work labor force consisting of five linemen and one laborer on a daily basis. Since the Bureau of Light, Heat and Power has limited staffing, the City contracts with Kingston Constructors, Inc. to provide the necessary workforce for the maintenance and repair of City-owned streetlights. In order to operate efficiently and effectively, the contracted work crew requires constant supervision by the 6252 Line Inspector.

3. Mr. Jacobo states that the loss of a 6252 Line Inspector for a prolonged period of time would seriously impact the effectiveness of the Bureau in conducting the daily streetlighting programming, maintenance and repair work that is necessary for public safety.

4. According to Mr. Jacobo, the responsibilities of the 6252 Line Inspector position are temporarily being assumed by Mr. Joe DeGraca, Manager of the Bureau of Light, Heat and Power.

**Recommendation:** Approve the proposed resolution.

Item 1d - File 31-90-8

| | |
|---|---|
| **Department:** | Public Utilities Commission (PUC)<br>Water Department |
| **Item:** | Resolution approving the immediate filling of a vacant position in accordance with Section 10 Subsection 1 of the Annual Appropriation Ordinance. |
| **Position:** | 7254 Automotive Machinist Supervisor I |
| **Annual Salary at Top Step:** | $59,462 |
| **Retirement Date:** | June 30, 1990 |
| **Normal Refill Date:** | December 3, 1990 |
| **Requested Refill Date:** | October 29, 1990 |
| **Funding Needed:** | $5,718 |
| **Proposed Funding Source:** | Surplus Salary Savings |
| **Description:** | Section 10, Subsection 1 of the current Annual Appropriation Ordinance permits immediate filling of a position left vacant due to death or retirement of an incumbent when a lump sum payment is make for accumulated sick leave and vacation. The immediate filling of a vacant position requires a request by the department's appointing officer, the approval of the General Manager, Personnel and the Mayor and approval by resolution of the Board of Supervisors. |
| **Comments:** | 1. A 7254 Automotive Machinist Supervisor I, assigned to the Water Department, retired on June 30, 1990 and was paid for 880 hours of vested sick leave which prevents refilling this position before December 3, 1990 unless this resolution is approved.<br><br>2. According to Mr. Carlos Jacobo of PUC, the 7254 Automotive Machinist Supervisor of the Water Department, City Distribution Division (CDD), is solely responsible for 12 autoshop personnel, as well as supervising the maintenance and repair of approximately 200 vehicles, which must be operationally ready at all times for emergencies. In addition, the Auto |

Shop at CDD maintains vehicles from the PUC Finance, Hetch Hetchy and Utilities Engineering Bureau.

3. The Budget Analyst notes that the 7254 Automotive Machinist Supervisor I position has been vacant since June 30, 1990, a period of approximately three and a half months. If the proposed resolution is not approved, this position would be filled through the normal refill process on December 3, 1990, or approximately one month subsequent to the requested October 29, 1990 immediate fill date. The Budget Analyst therefore questions the need to permit the immediate filling of this 7254 Automotive Machinist Supervisor I position.

4. In response, Mr. Jacobo reports that since July 1, 1990 the responsibilities of the 7254 Automotive Machinist Supervisor I were temporarily assumed by a 7136 Water Shops and Equipment Superintendent. However, on September 28, 1990, the 7136 Water Shops and Equipment Superintendent also retired (See Item 1b - File 31-90-6) leaving the Department without adequate supervision and compounded the Water Department's supervisory problems. Mr. Jacobo states that the responsibilities of the 7254 Automotive Machinist Supervisor I are currently being assumed by a 7313 Automotive Machinist. Mr. Jacobo adds that although there is only a short period of time remaining before the normal refill date, the Water Department is in critical need of immediately refilling the 7254 Automotive Machinist Supervisor I position.

**Recommendation:** Approval of the immediate filling of the 7254 Automotive Machinist Supervisor I is a policy matter for the Board of Supervisors.

Item 1e - File 38-90-15

**Department:** Recreation and Park

**Item:** Resolution authorizing the Recreation and Park Department to accept a gift of an Apple Computer valued at $16,114 for the Harvey Milk Recreational Arts Building.

**Description:** The Apple Computer Corporation, as part of their Educational Services Program, donates computers to public agencies, such as schools and universities, to increase the public's computer literacy level. The Apple Computer Corporation's Educational Services Program has offered to donate a gift of an Apple IIci computer to the Recreation and Park Department to be used at the Harvey Milk Recreational Arts Building located at 50 Scott Street.

Mr. Joel Robinson of the Recreation and Park Department reports that the proposed computer would be used for the sole purpose of desktop publishing for a monthly Teenage Newspaper. The Teenage Newspaper is a component of the Recreation and Park Department's Teen Program. The Teenage Newspaper gives teenagers the chance to learn reporting, writing, editing and publishing skills on a first-hand basis. The Teen Program is operated out of the Hamilton Recreation Center. However, the Teenage Newspaper is operated at the Harvey Milk Recreational Arts Building due to the photography lab facilities and the additional space needed to publish the Teenage Newspaper.

Mr. Robinson reports that the Harvey Milk Recreational Arts Building does not currently own a computer and that the Teenage Newspaper is currently being published by an employee working for the Teen Program who provides desktop publishing services to the Recreation and Park Department at no additional cost. The gift from the Apple Computer Corporation's Educational Services Program includes the following:

| | |
|---|---|
| Apple IIci Computer (includes keyboard, color monitor and video card) | $9,828 |
| Laser Printer (includes toner cartridge) | 5,717 |
| Software (includes MacWrite, MacDraw and MacPaint) | 569 |
| Total Cost | $16,114 |

**Comments:**

1. According to Mr. Robinson, printing of the current Teenage Newspaper costs approximately $300 per month for 5,000 copies of the Teenage Newspaper circulated to San Francisco teenagers. Mr. Robinson states that the Department receives approximately $150 a month through the sale of advertising space in the Teenage Newspaper and that the remaining $150 has been absorbed through the Department's budget. Mr. Robinson anticipates that the revenue generated by the sale of advertising space in the Teenage Newspaper would soon cover the printing costs of $300 per month.

2. Mr. Robinson states that any future computer maintenance costs should not be significant and could be absorbed within the Department's existing budget.

**Recommendation:** Approve the proposed resolution.

Item 1f - File 68-90-16

**Department:** Mayor's Office of Public Safety

**Item:** Resolution authorizing the Mayor to apply for, accept and expend a new Federal grant.

**Grant Amount:** $500,000

**Source of Grant:** Federal Office for Substance Abuse Prevention (OSAP)

**Grant Period:** October 1, 1990 through September 30, 1991

**Project:** The Community Partnership Program

**Project Description:** The proposed Federal grant would be used to implement a City-wide, multi-disciplinary, comprehensive, neighborhood and youth-oriented action plan, to address the City's alcohol and drug abuse problems. The plan would expand on the planning and program implementation efforts of the Mayor's Drug Symposium Task Force. The Task Force is comprised of representatives of neighborhood-based agencies, the corporate community, treatment providers, tenant associations, and youth.

The geographic areas in the City, that have been targeted for the proposed Community Partnership Program have been identified as a priority and designated as underserved by the Mayor's Drug Symposium Task Force. These areas include (1) the Western Addition, (2) the Tenderloin, (3) Potrero Hill, (4) the Mission District, (5) Bayview Hunters Point, (6) Visitacion Valley/Sunnydale, (7) Oceanview-Merced-Ingleside and (8) Chinatown. The Task Force has already initiated pilot projects at three sites within the targeted communities.

The program objectives of the proposed Community Partnership Program, as provided by the Mayor's Office, are as follows:

1. Encourage effective coordination by organizing drug prevention initiatives and convening neighborhood drug prevention councils.

2. Enhance or encourage the creation of at least 12 community-based self-help groups.

3. Enable 250 parents and 50 youth to assist in drug prevention activities.

4. Enhance and sustain a strategic planning effort which assures action steps are identified and implementation of projects occurs.

5. Create an ongoing training service to assist community members in neighborhood activities aimed at resolving alcohol and drug abuse problems and to train individuals in emerging drug problems, drug prevention strategies and treatment options.

6. Establish a Youth Council in seven target areas and Tenant Associations in five housing projects.

The Mayor's Office would be responsible for administering the proposed grant and would serve as the lead agency in coordinating the planning process. The Department of Public Health (DPH) would be primarily responsible for evaluation of the planning process.

The Mayor's Office reports that two groups are being formed to assist in the planning process. The first, a Neighborhood Empowerment Consortium, would assist the Mayor's Office in the selection and monitoring of the community-based self-help groups and would help insure a coordinated and comprehensive approach to the planning process in order to address the needs of the target communities. The second group, a Youth Forum, would provide a platform for accessibility, coordination and commitment for youth to assist in the development of drug prevention strategies. These two groups would supplement the planning activities of the Mayor's Drug Symposium Task Force.

**Project Budget:**

| Personnel | FTE | | |
|---|---|---|---|
| Mayor's Office | | | |
| Principal Investigator | .05 | $3,180 | |
| Partnership Director | 1.00 | 42,347 | |
| Empowerment Coordinator | 1.00 | 41,080 | |
| Youth Coordinator | 1.00 | 32,162 | |
| DPH | | | |
| Epidemiologist | 1.00 | 39,000 | |
| Health Care Analyst | 1.00 | 38,000 | |
| Fringe Benefits | ____ | 29,334 | |
| Subtotal | 5.05 | | $225,103 |

| | | |
|---|---|---|
| Operating Expenses | | |
| Travel (two out-of-State conferences mandated by Federal grantor) | $11,800 | |
| Supplies | 8,645 | |
| Audit | 5,000 | |
| Subtotal | | 25,445 |
| Contractual Services | | |
| Community-Based Self-Help Groups | $175,000 | |
| Training | 10,000 | |
| Youth Stipends | 40,643 | |
| Subtotal | | 225,643 |
| Indirect Costs | | 23,809 |
| Total | | $500,000 |

**Indirect Costs:** $23,809 (10.6% of personnel cost)

**Required Match:** None

**Comments:**

1. Mr. Jim Buick of the Mayor's Office reports that the Mayor's Office has not yet issued the RFPs to acquire the necessary training services and the services to be provided by the community-based self-help groups. As such, the Mayor's Office cannot, at this time, identify which community-based organizations will be used nor provide specific budget details regarding these contractual services.

2. Since the Mayor's Office cannot identify the organizations nor provide specific budget details for the above noted contractual services, the Budget Analyst recommends that the $10,000 for training services and the $175,000 for community-based self-help group services be placed on reserve, pending the Mayor's Office's submission of specific budget details for the individual contractors to the Finance Committee.

3. The youth stipends would be administered by the Mayor's Office of Children, Youth and Families. Mr. Keith Choy of the Mayor's Office reports that prospective candidates for the stipend program would be recruited from schools as well as neighborhood groups and would be screened through the Mayor's Office of Children, Youth and Families. Youth that are selected to participate in the program would receive an hourly stipend of $4.25 for an estimated five hours of work per week.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. Attached is a "Summary of Grant Request" as prepared by the Mayor's Office for the Federal grant funds.

**Recommendation:** Amend the proposed legislation to reserve $10,000 for training services and $175,000 for community-based self-help group services, pending the Mayor's Office's submission of specific budget details for these contractual services to the Finance Committee, and approve the resolution as amended.

Item No. MAYOR'S OFFICE - Summary of Grant Request Rev. 4/10/90

Grantor Federal Office of Substance Abuse Prevention
Division MAYOR
Contact Person Nancy J. McGennis
Section Public Safety Office
Address 5600 Fishers Lane, Rm 13C-20
Rockville, Maryland 20857
Contact Person Joyce O. Smith
Telephone (415) 554-6560
Amount Requested $ 500,000.00
Application Deadline
Term: From 10-01-90 To 09/30/91
Notification Expected RECEIVED 9/90

Board of Supervisors: Finance Committee
Full Board

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 500,000 from the period of 10-01-90 to 9/30/91 to provide Training, Technical Assistance, Leadership Development and Financial Support services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
This grant will support S.F. in implementing a communit-wide multi-disciplinary comprehensive, neighborhood and youth oriented action-planning process to address the city's serious alcohol and drug abuse problems. The project is designed as a planning process and coordinating activity for enhancing, promoting, and improving local substance abuse prevention efforts by cultivating the establishment of community support groups and strenghtening individual self-help activities.

III. Outcomes/Objectives:
1) Organize drug prevention initiatives & convene neighborhood drug prevention council 2) Create at least 12 grassroots community based self help groups. 3) Empowers 250 parents and 50 youth to assist in drug prevention activities. 4) Retrain individuals in emerging drug problems. 5) Establish a Youth Council in seven target areas & tenant assoc. in five housing projects.

IV. Effects of Reduction or Termination of These Funds:
Would reduce or terminate planned efforts.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | | | 500,000 | | -0- | |
| Personnel | | | 225,103 | | | |
| Equipment | | | -0- | | | |
| *Contract Svc. | | | 225,643 | | | |
| Mat. & Supp. | | | 8,645 | | | |
| Facilities/Space | | | | | | |
| Other | | | 16,800 | | | |
| Indirect Costs | | | 23,809 | | | |
| VI. Data Processing (costs included above) | N/A | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | 5 | | | | |
| P/T CSC | | 1 | | | | |
| Contractual | | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
CSC Employee's - Department's Budget

Will grant funded employees be retained after this grant terminates? If so, How?

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)

Item 1g - File 146-90-73

**Department:** Department of Public Health (DPH)
Community Substance Abuse Services

**Item:** Resolution authorizing the Department of Public Health to apply for, accept and expend a new Federal grant.

**Amount:** Not to exceed $4,795,470

**Source of Grant:** U. S. Department of Health and Human Services (DHHS) through the State Department of Alcohol and Drug Programs

**Term:** October 1, 1990 through September 30, 1991

**Project:** Enhance existing substance abuse treatment programs for "critical populations".

**Description:** The proposed Federal grant funds would fund the first year of a three-year demonstration program to enhance existing community-based substance abuse treatment programs to include services for specific target populations identified as "critical populations". This demonstration program would identify critical populations such as: 1) adolescents and young adults (between the ages of 10 and 22); 2) racial/ethnic minority populations; and 3) residents of public housing projects. The community-based agencies that would administer the proposed grant are current subcontractors of DPH's, Community Substance Abuse Services. Each agency selected would be evaluated by the DHHS to determine if the outcomes of the enhanced services were significant enough to be used for a nationwide model.

According to Mr. Jim Curtiss of DPH, DPH has already applied for the Federal grant funding and received notification of a grant award in the amount of $1,312,923. DPH submitted 13 community-based agencies' applications to DHHS. Of the 13 agencies, DHHS selected 4 agencies for grant awards. Mr. Curtiss reports that as of October 1, 1990, the four agencies were notified of their awards based on the following program and cost information:

Asian American Recovery Services, Inc. $415,712

The Asian American Recovery Services Inc. is a long-term substance abuse treatment program providing residential rehabilitation services to young adults from multi-cultural Asian and other ethnic backgrounds. The Asian American Recovery Services program is the only residential treatment program in San Francisco that provides treatment specifically to Asian clients. The program is one of two in the nation and has been effective in creating awareness of substance abuse issues in Asian communities and promoting relevant treatment alternatives to those who cannot or will not participate in "mainstream" substance abuse programs. The proposed Federal grant funds would be used for the purpose of enhancing existing services to 350 persons through the development and implementation of a comprehensive Asian multi-cultural model that can demonstrate effectiveness of the services provided to culturally specific populations. In order to develop this model, five components are proposed which emphasize activities and procedures related to 1) treatment retention; 2) Asian community resource development; 3) client's protective factors; 4) family and community cultural norms; and 5) health factors. The proposed federal grant-funded program budget for the Asian American Recovery Services, Inc. is as follows:

| | |
|---|---|
| Personnel (5.68 FTE) | $136,500 |
| Fringe Benefits | 39,449 |
| Travel | 6,528 |
| Equipment | 8,400 |
| Supplies | 4,800 |
| Contractual* | 85,120 |
| Other (additional office space, conferences, utilities, telephone, postage, etc.) | 62,200 |
| Subtotal Direct Costs | $342,997 |
| Indirect Costs | 72,715 |
| Total | $415,712 |

* The Asian American Recovery Services, Inc. program personnel are limited to program directing, coordinating, supervising, therapy and counseling services for their Asian clients. The contractual services would provide expanded existing services which are not currently provided by the Asian American Recovery Services, Inc. program personnel, including services such as urinalysis, medical services, program training, family counseling and program evaluations.

**Women's Alcoholism Center** **$416,026**

The Women's Alcoholism Center (WAC) Program provides for the residential treatment of women with children. The program is designed to enhance the pre-treatment and relapse prevention needs of women in crisis, to encourage their continued participation in the recovery process and to facilitate their re-entry into existing WAC services when discharged due to relapse or the need for detoxification. WAC is currently the only residential treatment and detox facility specifically for women with children in San Francisco. The proposed Federal grant funds would provide a facility to be available to a total of 1,300 women annually during outpatient and residential services as well as prior to admission to these programs to provide immediate intervention when relapse has occurred or is at risk of occurring. The proposed Federal grant-funded program budget for the Women's Alcoholism Center is as follows:

| | |
|---|---|
| Personnel (8.57 FTE) | $145,713 |
| Fringe Benefits | 45,171 |
| Travel | 2,217 |
| Equipment | 96,585 |
| Supplies | 22,600 |
| Contractual | 9,400 |
| Other (includes rent, repairs and maintenance, utilities, miscellaneous, etc.) | 41,100 |
| Subtotal Direct Costs | $362,786 |
| Indirect Costs | 53,240 |
| Total | $416,026 |

**Women's Institute for Mental Health (Iris Project)** **$195,510**

The Women's Institute for Mental Health, referred to as the Iris Project, proposes to enhance existing services to 500 drug-abusing Black and Hispanic women. The present treatment components of the out-patient services would be enhanced to include additional vocational and educational services, expand childcare, parenting classes and family counseling and increase aftercare services that are culturally relevant and specific. The project would also ensure its services could be replicated by developing a vocational training manual specific to the needs of minority women and two manuals for group leaders on how to develop culturally specific aftercare groups: one for Black women and one for Hispanic women. The project would also secure

specific cross-cultural training in meeting the needs of minority drug abusing women. The proposed grant funds would provide comprehensive treatment to drug abusing women creating a model for the delivery of services to minority women nationwide. The proposed Federal grant-funded program budget for the Women's Institute for Mental Health is as follows:

| | |
|---|---|
| Personnel (5.56 FTE) | $126,840 |
| Fringe Benefits | 33,000 |
| Travel | 1,000 |
| Equipment | 3,300 |
| Supplies | 2,000 |
| Contractual | 5,000 |
| Other (includes rental and training costs) | 6,600 |
| Subtotal Direct Costs | $177,740 |
| Indirect Costs | 17,770 |
| Total | $195,510 |

**Walden House, Inc.** **$285,675**

The Walden House Adolescent Program is a component of Walden House, Inc. Services range from outpatient counseling and referral to long-term residential treatment. The proposed Federal grant funds would focus on 475 adolescents who have co-occurrences involving mental health disorders and alcoholism and are at risk for HIV infection. This critical population is frequently at risk for homelessness. The project would provide model reentry and aftercare services to adolescents who are finishing placement in long-term residential drug treatment. The health, educational, vocational and social issues would be addressed. Adolescents would be assessed and evaluated by a team of professionals for medical, psychiatric, socialization, educational and vocational needs. From the assessment, a coordinated reentry plan is developed. The project is designed to reduce recidivism and relapse, increase independence through improved physical and mental health, and enable the adolescents to work and function more appropriately resulting from increased educational vocational skills. The proposed Federal grant-funded program budget for Walden House, Inc. is as follows:

| | |
|---|---|
| Personnel (6.12 FTE) | $122,344 |
| Fringe Benefits | 21,188 |
| Travel | 19,260 |
| Equipment | 23,520 |
| Supplies | 40,080 |
| Other (includes health services, lab fees, telephones, insurance, utilities, etc.) | 35,568 |
| Subtotal Direct Costs | $261,960 |
| Indirect Costs | 23,715 |
| Total | $285,675 |

**Required Match:** None

**Comments:**

1. Although there is no formal match required in order to receive the proposed Federal grant funds, Dr. Wayne Clark of DPH reports that the City is contributing in-kind services totalling $3,900 for a Health Program Coordinator (.10 FTE).

2. The proposed resolution is to apply for, accept and expend Federal grant monies. However, as previously noted, DPH has already applied for the Federal grant and received notification of the award in the amount of $1,312,923 which is $3,482,547 less than the amount originally applied for of $4,795,470. Therefore, the proposed resolution should ratify action previously taken since DPH has already applied for the proposed grant. Further, the proposed resolution should also be amended to reflect the actual proposed grant amount of $1,312,923.

3. As of the writing of this report, Asian American Recovery Services, Inc. was unable to provide budget details for the Contractual Services of $85,120. The Women's Alcoholism Center was unable to provide budget details for the following amounts: $96,585 for Equipment and $9,400 for Contractual Services. In addition, the Women's Institute for Mental Health was unable to provide budget details for Contractual Services of $5,000. Finally, Walden House Inc. was unable to provide budget details for Travel of $19,260. Therefore, the Budget Analyst recommends that the following amounts be placed on reserve, pending submission of specific budget details: $85,120 for the Contractual Services of Asian American Recovery Services, Inc., $96,585 for Equipment and $9,400 for Contractual Services for the Women's Alcoholism Center, $5,000 for Contractual Services for the Women's Institute for Mental Health and $19,260 for Travel for Walden House, Inc.

4. In addition to the first year funding which is the subject matter of this proposed resolution, Mr. Curtiss reports that DPH has received notification from DHHS of the second and third year funding for the four selected agencies. Detailed budgets for the subcontractors for the second and third year are not available at this time. Ms. Yvonne Frasier of DPH states that the grant applications will be submitted separately for the second and third year of the program. The proposed Federal grant-funded program budgets for the four subcontractors for the second and third year of the total three-year demonstration program are as follows:

| | Year 2 | Year 3 |
|---|---|---|
| Asian American Recovery Services, Inc. | $486,445 | $511,563 |
| Women's Alcoholism Center | 310,561 | 310,561 |
| Women's Institute for Mental Health | 207,250 | 219,670 |
| Walden House, Inc. | 303,078 | 325,263 |
| Total | $1,307,334 | $1,367,057 |

Based on the Federal grant award for fiscal year 1990-91 of $1,312,923, together with the proposed second and third years of grant funding of $1,307,334 and $1,367,057, respectively, the total three-year demonstration project's budget totals $3,987,314.

5. Attached is the Health Commission "Summary of Grant Request" prepared by DPH for the proposed Federal grant.

**Recommendations:** 1. Amend the proposed resolution to authorize DPH, Community Substance Abuse Services to accept and expend Federal grant monies in the amount of $1,312,923 instead of $4,795,470.

2. Amend the proposed resolution to reserve the following amounts pending the submission of specific budget details for these services to the Finance Committee: $85,120 for the Contractual Services of Asian American Recovery Services, Inc., $96,585 for Equipment and $9,400 for Contractual Services for the Women's Alcoholism Center, $5,000 for Contractual Services for the Women's Institute for Mental Health and $19,260 for Travel for Walden House, Inc.

3. Amend the proposed resolution to retroactively authorize DPH to apply for the Federal grant monies and approve the proposed resolution as amended.

Item No. _____ **Health Commission - Summary of Grant Request** Rev. 4/10/90

Grantor: USDHHS/Alcohol, Drug Abuse & Mental Health Admin / OTI
Division: Mental Health, Substance Abuse and Forensic Services
Contact Person: None
Section: Comm. Substance Abuse Services
Address: Office for Treatment Improvement, 5600 Fishers Lane, Rockville MD 20857
Contact Person: Wayne Clark, Ph.D.
Telephone: 255-3500
Amount Requested: $ 3,987,314
Application Deadline: 6/1/90
Term: From 10/1/90 To 9/30/91
Notification Expected: 10/2/90
Health Commission: 9/18/90
Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $1,312,923 from the period of 10/1/90 to 9/30/91 to provide drug abuse treatment for critical populations services.

II. Summary: (Context/history; need addressed; numbers + groups served; services and providers)

Please see Page 1b attached.

III. Outcomes/Objectives:

Please see Page 1b attached.

IV. Effects of Reduction or Termination of These Funds:
Any substance abuse treatment contracts which are augmented due to receipt of funds will be proportionately reduced at the end of the grant project.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | N/A | N/A | $1,312,923 | N/A | N/A | N/A |
| Personnel | | | -0- | | | |
| Equipment | | | -0- | | | |
| *Contract Svc. | | | 1,312,923 | | | |
| Mat. & Supp. | | | -0- | | | |
| Facilities/Space | | | -0- | | | |
| Other | | | -0- | | | |
| Indirect Costs | | | -0- | | | |
| VI. Data Processing (costs included above) | | | -0- | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | -0- | | | |
| P/T CSC | | | -0- | | | |
| Contractual | | | Exact contractual staff FTEs unknown at this time; the Commission will review each contract modification which will include such info. should funds be awarded. | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Not applicable.

Will grant funded employees be retained after this grant terminates? If so, How?
N/A

3.3

*VIII. Contractual Services: Open Bid _____ Sole Source * (If sole source, attach Request for Exemption Form)

*Conditions of application and funding do not permit either RFP or sole source award because individual agencies are applying. Please refer to breakout of applicants attached.

Item 1h - File 146-90-74

**Department:** Department of Public Health (DPH)
Division of Mental Health,
Substance Abuse and Forensic Services

**Item:** Resolution authorizing the Department of Public Health to apply for, accept and expend a continuation State grant

**Amount of Grant:** $283,000

**Source of Funds:** State Office of Mental Health

**Grant Period:** July 1, 1990 through June 30, 1991

**Project:** Mental Health Consultation and Education Services

**Project Description:** The proposed State grant funds are used to fund the Consultation, Education and Information (C.E.&I.) Services Unit for DPH. The C.E.&I. Unit provides outreach and education services to residents of San Francisco. These services include mental health support groups, suicide intervention training, parent skills training and consultation and training for community-based service providers. The goals of the C.E.&I. Unit, as provided by DPH, are as follows:

- To assist community care-givers to recognize symptoms of severe mental disorder, make more effective use of mental health resources, and become more skillful in promoting the self-help techniques of the people they serve.

- To assist community residents to understand and utilize appropriate mental health resources.

- To strengthen the support systems and coping skills of people who live under stressful conditions such as families of the severely mentally ill, refugees, newly arrived immigrants, the homeless and single parents.

- To decrease the risk of serious mental health illness and associated physical disabilities among specific populations who are at risk.

**Project Budget:**

| | | |
|---|---|---|
| Personnel | | |
| Salaries (5.6 FTE) | $189,148 | |
| Fringe Benefits | 41,809 | |
| Subtotal | | $230,957 |
| Operating Expenses | | |
| Rent | 10,000 | |
| Travel | 1,344 | |
| Equipment Maintenance | 800 | |
| Equipment Rental | 1,900 | |
| Equipment Purchase (Fax Machine) | 2,746 | |
| Materials and Supplies | 7,268 | |
| Books and Publications | 14,475 | |
| Printing | 13,510 | |
| Subtotal | | $52,043 |
| Total | | $283,000 |

**Indirect Costs:** None

**Required Match:** None

**No. of Persons to be Served:**

-Support group training - minimum of 20 persons
-Parent skills training - minimum of 100 persons
-Community based service provider training - minimum of 155 service providers
-Suicide intervention training - minimum of 100 persons

**Comments:**

1. The proposed grant of $283,000 is $705 more than the $282,295 grant allocation for FY 1989-90.

2. Attached is the "Summary of Grant Request", as prepared by DPH, for the proposed grant funds.

3. Mr. Ted Lakey of the City Attorney's Office advises that since the grant would fund services effective July 1, 1990, the proposed legislation should be amended to authorize the DPH to apply for, accept and expend State grant funds retroactively.

**Recommendation:** Amend the proposed legislation to authorize the DPH to apply for, accept and expend State grant funds retroactively and approve the proposed legislation as amended.

Item No. _____ Hea..t Commission - Summary of Gra. Request Rev. 4/10/90

Grantor State Dept. of Mental Health
Contact Person Thomas F. Reitz
Address 1600 9th Street
Sacramento, CA 95814

Division Div. of Mental Health, Substance Abuse and Forensic Services
Section Consultation, Education, & Information
Contact Person Bertie Ho, Ph.D., MPH
Telephone 255-3631

Amount Requested $ 283,000
Term: From 7/1/90 To 6/30/91
Application Deadline July 30, 1990
Notification Expected September 30, 1990

Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 283,000 from the period of 7/1/90 to 6/30/91 to provide consultation, education & information services.

II. Summary: (Concisely: need addressed; number + groups served; services and providers)
Consultation, Education and Information services are provided to the entire population of San Francisco. This is the 10th year of this grant. A team of bilingual, bi-cultural MPH and BA level mental health educators provides these outreach and education services which includes support groups, suicide intervention training and parent skills training. We also consult with DPH staff on workshops and training.

III. Outcomes/Objectives:
The population of San Francisco will be more knowledgeable about mental health and mental illness and be able to access services when necessary.

IV. Effects of Reduction or Termination of These Funds:
Citizens of San Francisco will not have basic information about mental health and mental illness and will not know how and where to access services when necessary.

V. Financial Information:

| | FY88/89 Col. A Two Years Ago | FY89/90 Col. B Past Year/Orig. | FY90/91 Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 282,295 | 282,295 | 283,000 | 705 | | |
| Personnel | 244,495 | 208,776 | 230,957 | 22,181 | | |
| Equipment | 2,821 | 2,900 | 5,446 | 2,546 | | |
| *Contract Svc. | | | | | | |
| Mat. & Supp. | 6,684 | 9,000 | 7,268 | -1,732 | | |
| Facilities/Space | 10,000 | 10,000 | 10,000 | 0 | | |
| Other | 6,045 | 39,035 | 29,329 | -26,954 | | |
| Indirect Costs | 12,250 | 10,440 | 0 | -10,440 | | |
| VI. Data Processing (costs included above) | 0 | 800 | 800 | | | |
| VII. Personnel | | | | | | |
| F/T CSC | 5 | 4 | 5 | | | |
| P/T CSC | 4 | 2 | 2 | | | |
| Contractual | | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
2823 Mental Health Educator funded partially through Prop. 00. 2591 Health Program Coordinator II and 1424 Clerk-Typist partially funded through FEMA.

Will grant funded employees be retained after this grant terminates? If so, How?
Yes, via private foundation funding. They may also be dispersed throughout the health department if vacant positions become available.

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exception Form)

Memo to Finance Committee
October 17, 1990

Item 1i - File 146-90-75

**Department:** Department of Public Health (DPH)
Community Mental Health Services (CMHS)

**Item:** Resolution authorizing the Department of Public Health to apply for, accept and expend a continuation State grant

**Grant Amount:** $36,911

**Source of Funds:** State Office of Mental Health

**Grant Period:** July 1, 1990 through June 30, 1991

**Project:** Mental Health Primary Intervention in Schools Project

**Project Description:** The Mental Health Primary Intervention in Schools Project is a school-based, early detection and mental health intervention program aimed at enhancing self esteem in children. The program focuses primarily on kindergarten through third grade students in public schools. The proposed State grant would fund this program for the Paul Revere Elementary School in Bernal Heights and the Sanchez Elementary School in the Mission/Castro area. The program services would be provided through a contract with Edgewood Children's Center, a non-profit agency, with in-kind services provided by the San Francisco Unified School District (SFUSD), DPH's Community Mental Health Services (CMHS) and Edgewood Children's Center. Program objectives include reduction in such classroom behaviors as, inordinate shyness, aggressiveness, inattentiveness and improvements in school attendance and academic performance.

**No. of Persons to be Served:** Approximately 80 school children

**Project Budget:**

| | | |
|---|---|---|
| Contractual Services | | |
| Edgewood Children's Center | | |
| Personnel (1.75 FTE) | $30,434 | |
| Fringe Benefits | 3,347 | |
| Materials and Supplies | 700 | |
| Travel | 1,430 | |
| Data Collection | 1,000 | |
| Total Grant | | $36,911 |

BOARD OF SUPERVISORS
BUDGET ANALYST

| | | |
|---|---|---|
| In-kind Match | | |
| SFUSD | | $45,128 |
| CMHS | | |
| Assistant Director (38 hours) | 1,276 | |
| Clinical Consultation (152 hours) | 3,648 | |
| Administrative Overhead | 789 | |
| Subtotal | | 5,713 |
| Edgewood Children's Center | | |
| Consultation (95 hours) | 1,900 | |
| Administrative Overhead | 789 | |
| Subtotal | | 2,689 |
| Total In-Kind Match | | $53,530 |
| Total Project Cost | | $90,441 |

**Indirect Costs:** None

**Required Match:** An amount equal to the grant amount ($36,911) is required for local match. As noted above, the actual in-kind match to be provided by SFUSD, CMHS and Edgwood Children's Center totals $53,530, which exceeds the required match by $16,619. The CMHS in-kind services valued at $5,713, are included in DPH's FY 1990-91 departmental budget.

**Comments:**

1. DPH reports that CMHS in-kind services would be provided by existing CMHS staff and that no additional funds would be incurred by CMHS as a result of this program.

2. The DPH advises that the Edgewood Children's Center would receive the contract on a sole-source basis because the Center was a co-applicant for the State grant funds and has been providing these services since the inception of the program two years ago.

3. The proposed grant of $36,911 is 82.6 percent or $16,696 more than the $20,215 grant allocation for FY 1989-90.

4. Attached is a "Summary of Grant Request" as prepared by DPH for the State grant funds.

5. Mr. Ted Lakey of the City Attorney's Office advises that since the grant would fund services effective July 1, 1990, the proposed legislation should be amended to authorize the DPH to apply for, accept and expend State grant funds retroactively.

BOARD OF SUPERVISORS
BUDGET ANALYST

**Recommendation:** Amend the proposed legislation to authorize the DPH to apply for, accept and expend State grant funds retroactively and approve the proposed legislation as amended.

Item No. _____ Hs h Commission - Summary of Gr Request | Rev. 4/10/90 | 90-1

Grantor State Dept. of Mental Health
Contact Person Deborah Johnson
Address 1600 Ninth Street
Sacramento, CA 95814

Amount Requested $ 36,911
Term: From 7/1/90 To 6/30/91
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Division Mntl Hlth, Subs. Abuse, Forensics
Section Child, Adolescent, Family
Contact Person Marjorie Swien, L.C.S.W.
Telephone 255-3413
Application Deadline N/A
Notification Expected N/A

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 36,911 from the period of 7/1/90 to 6/30/91 to provide mental health primary prevention services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
Primary Intervention in Schools Project is a school-based, early detection and mental health intervention program focused primarily on k-3 students in public schools. The grant would fu this program for the Paul Revere and Sanchez Schools. Services would be provided through a contract with Edgewood Children's Center, a non-profit organization, with in-kind services pr vided by SFUSD and DPH's CMHS. This is the third year of this grant.

III. Outcomes/Objectives:
1. All children enrolled in Paul Revere and Sanchez Schools in grades k-3 will be screened fo the program. 2. Approximately 80 children will be seen in once-per-week sessions by counselors for each of two school semesters.

IV. Effects of Reduction or Termination of These Funds:
Two elementary schools would not receive these prevention services.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 9,247 | 20,215 | 36,911 | 16,696 | | |
| Personnel | | | | | | |
| Equipment/In-svc | 200 | 800 | 1,430 | 630 | | |
| *Contract Svc. | 8,547 | 18,215 | 33,781 | 15,556 | | |
| Mat. & Supp. | 500 | 200 | 700 | 500 | | |
| Facilities/Space | | | | | | |
| Other: DataColl. | | 1,000 | 1,000 | -0- | | |
| Indirect Costs | | | | | | |
| VI. Data Processing (costs included above) | N/A | N/A | N/A | N/A | | |
| VII. Personnel | | | | | | |
| F/T CSC | 0 | 0 | 0 | 0 | 0 | |
| P/T CSC | 0 | 0 | 0 | 0 | 0 | |
| Contractual | 1.25 | 1.25 | 1.75 | 1.25 | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
Not Applicable

Will grant funded employees be retained after this grant terminates? If so, How?
If SFUSD and DMSF have funds, the costs of this program will be picked up by both departments jointly.

*VIII. Contractual Services: Open Bid See below Sole Source See below (If sole source, attach Request for Exemption Form)
The services will be provided through a CMHS contract with Edgewood Children's Center, which responded to a State RFP and was awarded the grant. CMHS is the administrator per State requirements.

Item 1j - File 153-90-5

**Department:** Department of Social Services (DSS)

**Item:** Resolution to apply for, accept and expend a continuation State grant

**Amount:** $30,000

**Source of Grant:** California Youth Authority (CYA)

**Term:** July 1, 1990 through June 30, 1991

**Project:** Project Passage Child Welfare Worker

**Description:** In March of 1990, the Board of Supervisors approved a resolution to apply for, accept and expend $8,600 in grant funds from the California Youth Authority to establish the Project Passage program. This proposed resolution would authorize DSS to apply for, accept and expend a grant in the amount of $30,000 to continue the program for Fiscal Year 1990-91.

The proposed grant would provide funding for 50.6 percent of the salary and fringe benefits for an existing DSS Child Welfare Worker position for Project Passage, an interagency program currently administered by DSS and the Police Department. Under Project Passage, a Child Welfare Worker/ Police Inspector team provides early intervention services for high risk adolescents who are involved in prostitution. The DSS worker provides services by referring clients to agencies in the Homeless Youth Network. The DSS worker also provides support services for the adolescents and is stationed at the Police Department's Juvenile Bureau at 2475 Greenwich Street. The DSS acts as the lead agency for this project.

**No. of Persons Served:** DSS has set a target service level of approximately 120 to 240 juveniles annually, or 10 to 20 juveniles per month.

**Project Budget:** In addition to the continuing grant of $30,000, DSS and the Police Department would provide in-kind matches totalling $29,263 and $50,874, respectively, for a total project budget of $110,137 for Fiscal Year 1990-91. These in-kind matches provide for salaries, mandatory fringe benefits, office space, equipment and supplies. DSS has budgeted the funds as follows:

| | CYA Grant | DSS In-Kind | SFPD In-Kind | Total |
|---|---|---|---|---|
| Salaries | | | | |
| Child Welfare Worker | $23,810 | $23,224 | $0 | $47,034 |
| Police Inspector | 0 | 0 | 23,699 | 23,699 |
| Mandatory Fringe Benefits | 6,190 | 6,039 | 18,722 | 30,951 |
| Operating Expenses | | | | |
| Office Space, Equipment and Supplies | 0 | 0 | 8,453 | 8,453 |
| Total | $30,000 | $29,263 | $50,874 | $110,137 |

**Indirect Costs:** None

**Local Match:** DSS is funding the remaining 49.4 percent of the cost of the Child Welfare Worker through an in-kind match, although the CYA does not require a local match.

**Comment:**

1. According to Ms. Mary Counihan of DSS, the Project Passage Child Welfare Worker position is an existing budgeted position allocated to Project Passage. The $30,000 in grant funding from the CYA would offset DSS funds currently budgeted for the position.

2. To date, Ms. Counihan reports that the Child Welfare Worker has a current caseload of five clients, which is far less than what was expected when DSS and the Police Department first proposed implementing the program. Ms. Counihan advises that the Child Welfare Worker has encountered clients that require more intensive and specialized counseling and referral services than the original program proposal estimated. As a result, the Child Welfare Worker has spent more time with each client, seeking the services of community agencies in the Homeless Youth Network that could adequately meet the needs of the juvenile client. If the current needs of the five clients is indicative of the population served by Project Passage, the DSS may not be able to serve the expected caseload and target service levels of 120 to 240 individuals per year, as first projected.

3. A summary of the grant request is provided in the attachment.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

Item No. _____ **Summary of Grant Request** Rev. 4/10/90

Grantor California Dept. of Youth Authority
Contact Person Steve Smally
Address 4241 Williamsbourgh Drive, Ste. 012
Sacramento, CA 95823
Amount Requested $ 30,000
Term: From 7/1/90 To 6/30/91

Division _____
Section _____
Contact Person _____
Telephone _____
Application Deadline _____
Notification Expected _____

Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $ 30,000 from the period of 7/1/90 to 6/30/91 to provide services to youth involved in prostitution services.

II. Summary: (Concerns/history; need addressed; number + groups served; services and provisions)
D.S.S. Social Worker will be outstationed at SFPD's Juvenile Bureau to establish a social worker/police inspector team to serve high risk adolescents who are involved in prostitution.

III. Outcomes/Objectives:
Prevent homeless youth from becoming entrenched in a life of prostitution, facilitate collection of evidence in exploiters of homeless youth, improve communication between police and DSS and improve coordination of services to homeless youth.

IV. Effects of Reduction or Termination of These Funds:
The service would not be provided.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | | | | | | |
| Personnel | | | | | | |
| Equipment | | | | | | |
| Contract Svc. | | | | | | |
| Mat. & Supp. | | | | | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | | | | | |
| VI. Data Processing (same included above) | | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | | | | |
| P/T CSC | | $8,600 | $30,000 | | | |
| Contractual | | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
City and County funds pay balance of CSC employee's salary.

Will grant funded employees be retained after this grant terminates? If so, How?

VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)

Item 2 - File 203-90-2

**Department:** Real Estate (on behalf of the Public Library, Department of Public Health, Fire Department and Recreation and Park Department)
San Francisco Unified School District (SFUSD)

**Item:** Ordinance effecting jurisdictional transfer (exchange) of properties

**Description:** The proposed ordinance would authorize and direct the execution of quitclaim deeds for a total of 35 properties as follows:

| Property Location | Current Use | Current Owner | Proposed Owner |
|---|---|---|---|
| 250 - 23rd Avenue | Alamo School | City | SFUSD |
| 1050 York Street | Bryant School | City | SFUSD |
| 2725 California St. | Dr. William L. Cobb School | City | SFUSD |
| 1351 - 42nd Avenue | F.S. Key School Annex | City | SFUSD |
| 651 - 6th Avenue | Frank McCoppin School | City | SFUSD |
| 251 - 6th Avenue | George Peabody School | City | SFUSD |
| 1060 Tennessee St. | I.M. Scott School | City | SFUSD |
| 1725 Irving St. | Jefferson School | City | SFUSD |
| 727 Golden Gate Ave. | John Swett School | City | SFUSD |
| 1350 - 7th Avenue | Laguna Honda School | City | SFUSD |
| 1570 - 31st Avenue | Lawton School | City | SFUSD |
| 745 - 30th Avenue | Lucinda Weeks School | City | SFUSD |
| 1575 - 15th Street | Marshall School | City | SFUSD |
| 2550 - 25th Avenue | Parkside School | City | SFUSD |
| 1651 Union Street | Sherman School | City | SFUSD |
| 235 - 12th Avenue | Sutro School | City | SFUSD |
| 1351 Haight Street | William de Avila School | City | SFUSD |
| 450 - 30th Avenue | Presidio Middle School | City | SFUSD |
| 1099 Hayes Street | Alamo Park High School | City | SFUSD |
| 1541 - 12th Avenue | Mark Twain High School | City | SFUSD |
| 110 Bartlett Street | Downtown High School | City | SFUSD |
| 2340 Jackson Street | Newcomer High School | City | SFUSD |
| 2730 Bryant Street | Sunshine High School | City | SFUSD |
| 1350 - 25th Avenue | Jefferson Children's Ctr. | City | SFUSD |
| 1135 Powell Street | Chinatown/North Beach Branch Library | SFUSD | City (Public Library) |
| 3150 Sacramento | Presidio Branch Library | SFUSD | City (Public Library) |
| 550 - 37th Avenue | Anza Branch Library | SFUSD | City (Public Library) |
| 190 Lenox Way | West Portal Branch Library | SFUSD | City (Public Library) |
| 500 Cortland Ave. | Bernal Hts. Branch Library | SFUSD | City (Public Library) |
| 260 Golden Gate Ave. | Fire Dept. Admin. Building | SFUSD | City (Fire Dept.) |
| 2155 - 18th Avenue | Fire Station No. 40 | SFUSD | City (Fire Dept.) |

| Property Location | Current Use | Current Owner | Proposed Owner |
|---|---|---|---|
| 2350 - 19th Avenue | Fire Dept. Corp. Yard | SFUSD | City (Fire Dept.) |
| 1351 - 24th Avenue | Dist. Health Center No. 5 | SFUSD | City (Pub. Health) |
| Eucalyptus Drive near 24th Avenue | Rolph-Nichol Park | SFUSD | City (Rec. & Park) |
| 39th Avenue and Quintara Street | West Sunset Playground Soccer Field | SFUSD | City (Rec. & Park) |

The proposed resolution would also adopt findings that the proposed exchange of properties is in conformity with the City's Master Plan and is consistent with the Eight Priority Policies of City Planning Code Section 101.1.

The 24 properties currently owned by the City and being used by the SFUSD for 23 school sites and one Children's Center were established by either the Van Ness Ordinance or the Outside Lands Ordinance. These ordinances, enacted in the 1860's, designated certain City properties for future use as school sites before a school district, that could hold title to the properties, existed. According to Mr. Robert Haslam of the Real Estate Department, the City holds title merely as a trustee for the SFUSD and the City's interest, as trustee, in these 24 properties is of no value to the City.

The eleven properties currently owned by the SFUSD, being used by the City, and that would be transferred to the City by the proposed resolution, were originally acquired for use as school sites. Subsequently, the SFUSD determined the properties were not needed for school sites and instead were made available to the City.

**Comments:** Mr. Haslam reports that the City still owns about 60 properties, besides the 24 City-owned properties that are the subject of this legislation, that are also used as school sites by SFUSD which may be submitted for jurisdictional transfer in future legislation.

**Recommendation:** Approve the proposed ordinance.

Item 3 - File 97-90-46

**Department:** Department of Social Services (DSS)

**Item:** Ordinance amending Section 20.57 of the San Francisco Administrative Code, General Assistance Program, to add monthly eligibility and asset disregard provisions to the Income Disregard Program.

**Description:** In June of 1990, the Board of Supervisors approved legislation authorizing the establishment of a two-year pilot program to institute an Income Disregard Program for the General Assistance Aid program. At the time this ordinance was passed, the proposed program disregarded a portion of income only from the determination of eligibility of persons seeking General Assistance. The proposed ordinance would expand the Income Disregard Program to allow any savings (in addition to a portion of income), up to a maximum of $1,000 accrued by clients participating in the Income Disregard Program, to be disregarded in continued eligibility determinations by DSS.

Mr. Raymond Colmenar of DSS states that the proposed legislation would provide GA clients with greater ability to obtain permanent housing. DSS reports that many General Assistance clients do not have sufficient funds to pay rental deposits for the first and last months' rent and security, which are usually required to obtain permanent housing. DSS advises that allowing GA clients to save up to $1,000, without counting such savings in determining their eligibility for General Assistance, would give the clients the ability to pay rental deposits, thereby increasing the opportunity for GA clients to obtain permanent housing. Therefore, DSS requests that this amendment be approved in order to assist General Assistance clients in obtaining permanent housing.

**Comments:** 1. DSS had previously estimated that the Income Disregard Program would cost an additional $249,000 during the first full year of operation, and would cost a total of $773,400 for the two-year pilot period. However, DSS had anticipated that the Income Disregard Program would take four months to implement, and therefore projected an estimated cost of $166,000 for eight months of Fiscal Year 1990-91. DSS had also reported that all of the program costs would be paid from the General Assistance aid appropriation and could be absorbed in the current 1990-91 budget appropriation for General Assistance.

2. Mr. Colmenar advises that DSS now expects the Income Disregard Program to begin December 1, 1990, which is one month later than the Department previously estimated. The one month delay is due to the additional time needed to finalize the Program's procedures and provide staffing. Based on a seven month period of operation between December 1, 1990 and June 30, 1991, DSS has projected an estimated cost of $145,250. This represents a reduction of $20,750 from the Department's previous estimates.

3. The Department was unable to accurately estimate the costs of the proposed amendment, but Mr. Colmenar states that the proposed amendment should not result in a significant increase in cost, because clients normally eligible for General Assistance usually do not have any savings that would affect their eligibility. However, once a person begins receiving General Assistance and participates in the Income Disregard Program, the General Assistance recipient would be allowed to save up to $1,000 without those savings being applied to the determination of continued eligibility for General Assistance aid payments.

4. It should be noted, however, that the Board of Supervisors also approved the establishment of an Income Disregard Reserve account in the 1990-91 budget in the amount of $200,000 for additional monies which might be needed for the Income Disregard Program.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 84-90-4

**Department:** Department of Real Estate
Department of Social Services (DSS)

**Item:** Resolution authorizing the City and County of San Francisco to execute an assignment of a purchase option agreement from the San Francisco Redevelopment Agency (SFRA) and authorizing the acquisition of Assessor's Parcel Block 694, Lot 4, and adopting findings pursuant to City Planning Code Section 101.1.

**Location:** 1001 Polk Street

**Description:** As part of the City's homeless program, DSS has established shelter facilities known as Multiservice Centers to serve the various needs of homeless persons. Currently, DSS operates, through contracts with non-profit agencies, two Multiservice Centers located at 1001 Polk Street and 525 - 5th Street. The Multiservice Centers provide shelter, 24 hours per day drop-in services, and case management services to homeless single adult men and women.

In October of 1990, the Board of Supervisors approved legislation authorizing DSS to carry out various aspects of the operation of the Multiservice Centers including purchase of the 525 - 5th Street facility, receiving grant funds, and expending funds to rehabilitate the buildings in which the Multiservice Centers are housed (Files 153-90-4, 101-90-16, 84-90-2, and 270-90-21).

This proposed resolution would authorize the City to acquire the property located at 1001 Polk Street. Presently, the SFRA leases the property for DSS and holds the purchase option agreement with the property owners. Under the proposed resolution, the SFRA would assign the purchase option agreement to the City, and the City would proceed with the purchase of the property from the current owners.

The Department of Real Estate has negotiated a purchase price of $3,542,500, which includes $12,500 for title and escrow fees. The Director of Real Estate has stated that this purchase price is the fair market value for the property.

The City Planning Commission, at its meeting of September 20, 1990, determined that the proposed acquisition of the 1001 Polk Street property is in conformance with the Master Plan and is consistent with the eight priority policies of City Planning Code Section 101.1.

**Comments:** The Board of Supervisors previously approved and reserved $3,651,996, consisting of $2,750,000 in Red Cross funds, $446,000 in Mayor's Earthquake Emergency Relief Fund monies, and $455,996 in Homeless Capital Reserve Fund monies, for the purchase of the building (Files 153-90-4, 101-90-16, and 270-90-21). These reserved funds would be sufficient to cover the actual purchase price negotiated by Real Estate.

**Recommendation:** Approve the proposed resolution.

Item 5 - File 127-90-4

**Note:** This item was continued from the October 10, 1990 Finance Committee Meeting. This item had been previously disapproved by the Board of Supervisors at its meeting of September 17, 1990 and is being reconsidered by the Finance Committee based on the request of the Mayor. An Amendment of the Whole may be presented to the Finance Committee on October 17, 1990 to reflect the Mayor's proposed changes. However, the following report analyzes the existing proposed legislation because, as of the writing of this report, the Budget Analyst has not received a proposed Amendment of the Whole.

The proposed ordinance would amend Part III, Article 12C, Section 1102 of the San Francisco Municipal Code to increase the real property transfer tax rate from $2.50 to $3.73 for each $500 of consideration of value and delete the exemption for assumed indebtedness from the real property transfer tax. The proposed ordinance would take effect on November 5, 1990.

Part III, Article 12C, Section 1102 of the City's Municipal Code currently states that for each deed for which any land or other property sold within the City and County of San Francisco is transferred or otherwise conveyed to any other person or persons, when the value of the interest or property conveyed exceeds $100, a tax at the rate of $2.50 for each $500 or fraction thereof shall be imposed. This tax is referred to as the real property transfer tax. The existing real property transfer tax provisions also exclude the value of any lien or encumbrance remaining at the time of the sale from the $2.50 for each $500 of value.

The proposed ordinance would increase the current real property transfer tax rate from $2.50 to $3.73 per $500 of property value. The proposed increase of $3.73 per $500 of property value represents a 49 percent increase in the City's real property transfer tax rate. In addition, the proposed ordinance would delete the City's existing provision which excludes the value of any lien or encumbrance remaining at the time of the sale from the real property transfer tax if the buyer purchases the property and assumes the seller's existing financing.

## Analysis

1. The exclusion of the value of any lien or encumbrance remaining at the time of the sale, which is the case under the existing ordinance, means that if a buyer purchases property and assumes the seller's existing financing, then the amount assumed is not subject to the City's real property transfer tax. For example, as shown in the chart below, if a buyer purchases a $300,000 home, and has an equity of $60,000, and assumes the seller's existing financing of $240,000, then the amount of real property transfer tax owed to the City based on the existing rate of $2.50 x $500 of value would be $300 ($2.50 x $500 per $60,000). Under the proposed new ordinance, using the same $300,000 home example, whereby the existing lien (mortgage) or encumbrance is assumed, the house would be taxed under the proposed new rate of $3.73 x $500 of value and the amount of real property transfer tax owed to the City would be $2,238 ($3.73 x $500 per $300,000).

Using this example, the real property transfer tax would increase from $300 to $2,238, an increase of $1,938, or a 646 percent increase.

| | Existing | Proposed |
|---|---|---|
| Purchase Price | $300,000 | $300,000 |
| 20 % Equity | 60,000 | 60,000 |
| Assumption of Financing | 240,000 | 240,000 |
| Property Value for Transfer Tax | $60,000 | $300,000 |
| Transfer Tax Rate Per $500 | 2.50 | 3.73 |
| Property Transfer Tax Owed | 300 | 2,238 |

2. If a buyer does not assume the seller's existing financing and secures new financing to purchase property, then under both the existing and the proposed legislation, the full sales price value of the property is used to determine the City's real property transfer tax. For example, as shown below, if a buyer purchases a $300,000 home, places a 20 percent downpayment, or $60,000, and seeks a new loan from a bank for the $240,000 balance, then the amount of real property transfer tax owed to the City based on the existing rate of $2.50 per $500 of value would be $1,500 ($2.50 x $500 per $300,000). Under the proposed ordinance, the real property transfer tax owed to the City would be $2,238 ($3.73 x $500 per $300,000), an increase of $738, or a 49 percent increase.

| | Existing | Proposed |
|---|---|---|
| Purchase Price | $300,000 | $300,000 |
| 20 % Downpayment | 60,000 | 60,000 |
| New Financing | 240,000 | 240,000 |
| Property Value for Transfer Tax | $300,000 | $300,000 |
| Transfer Tax Rate Per $500 | 2.50 | 3.73 |
| Property Transfer Tax Owed | 1,500 | 2,238 |

3. According to Mr. Bruce Jamison of the Recorder's Office, a study in 1988, based on a random selection of 1,000 taxable conveyances processed through the Recorder's Office found that in approximately 30 percent of the property values conveyed through the Recorder's Office, the buyer assumed the seller's existing financing. However, based on a more recent Mayor's Office of Housing analysis of all transfers recorded in the Recorder's Office between April and June, 1990, use of the exemption from the tax for assumed indebtedness represented approximately 15 percent of the value of the transactions. The amount of financing assumed will vary depending on current interest rates, the interest rates of the assumable mortgages, the ability of the seller to offer such financing, the desire of the buyer to assume the mortgage, etc. It is interesting to note however, that based on the Mayor's Office of Housing analysis, the elimination of the exemption granted for assumed indebtedness would have not have a significant effect on most smaller residential sales because, of the exemptions surveyed, only an estimated six percent were for single family, duplex and triplex

residential resales, while the remaining 94 percent were for large apartment and commercial sales.

4. In the 1990-91 Annual Appropriation Ordinance, the current real property transfer tax is estimated to generate $21 million of revenue for the City. As shown below, given that the transfer tax rate is proposed to increase from $2.50 to $3.73 per $500 of value, a 49 percent increase, it is projected that the existing $21 million of annual transfer tax revenues would also increase approximately 49 percent or an increase of $10.29 million on an annualized basis, for a total of approximately $31.29 million on an annualized basis. In addition, based on the Mayor's Office of Housing analysis of all transfers recorded in the Recorder's Office between April and June, 1990, the elimination of the exemption from the tax for assumed indebtedness would increase tax revenues by an additional $4.69 million on an annualized basis (15 percent x $31.29 million). Together, these two provisions in the proposed ordinance are projected to increase City transfer tax revenues by $14.98 million on an annualized basis ($10.29 million + $4.69 million) from $21 million to approximately $35.98 million per year, an increase of 71 percent, as follows:

| | |
|---|---|
| Current Revenues | $21.00 million |
| Percent Increase in Rate | x 49 % |
| Projected Increased Revenues from Rate Increase | $10.29 million |
| Subtotal Revenues from Rate Increase | $31.29 million |
| Projected Percent Increase from Elimination of Exemption | x 15 % |
| Projected Add. Revenues from Elimination of Exemption | $4.69 million |
| Total Annual Revenues Projected | $35.98 million |

The above revenue estimates represent a complete fiscal year.

5. However, the proposed legislation specifies that the proposed ordinance would take effect on November 5, 1990. For the approximately eight months between November 5, 1990 and June 30, 1991, the estimated additional revenue would be approximately $9.98 million. Together, the current estimated revenues of $21 million and the estimated additional revenues of $9.98 million would generate a total of approximately $30.98 million in fiscal year 1990-91, assuming a November 5, 1990 effective date.

6. Mr. John Madden of the Controller's Office reports that if the proposed legislation is approved, the amount of revenues that the Controller's Office will certify will be subject to further review by the Controller's Office due to the recent slowdown in the economy.

7. It should be noted that an ordinance just to delete the exemption from the real property transfer tax (with no increase in the current tax rate) was approved by the Board of Supervisors on October 15, 1990. That ordinance would generate estimated increased revenues of $3.15 annually. However, due to the recent slowdown in the real estate market, the Controller has certified only $1.2 million for the next six-months.

Comments

1. Mr. Jamison reports that the general practice in San Francisco is for the seller to pay the real property transfer tax. However, there is no legal requirement that the seller must pay the tax and the payment of the transfer tax can be negotiated between the seller and buyer during the purchase of the property. According to Mr. Jamison, both the buyer and the seller are legally liable for payment of the property transfer tax.

2. Based on discussions with Mr. Jamison, if the proposed ordinance is approved, consideration should be given to delaying the effective date of the legislation for 30 days to provide adequate notice to all real estate companies and title companies of the changes in the City's transfer tax rate. Providing such time will enable properties that have not entered escrow to include sufficient funds to pay the new taxes.

3. Mr. Jamison also reports that if the proposed legislation is approved, the Recorder's Office may need additional monitoring staff to insure compliance with the new ordinance. According to Mr. Jamison, the Recorder's Office currently monitors at least five percent of all transactions. In most cases, there is voluntary compliance. However, Mr. Jamison states that given the significant increase in the proposed rates, the voluntary compliance rate may decrease. Mr. Jamison estimates one additional 4308 Senior Collections Officer position would be needed at an annual 1990-91 salary and fringe benefit cost of approximately $49,000.

4. Mr Jamison also advises that the Recorder's Office would prefer that the proposed ordinance to increase the rate to $3.73 per $500 of value be rounded up to $3.75 per $500 of value for administrative ease. According to Mr. Jamison, a more even amount such as the current $2.50 per $500 of value is easier to check for calculation errors. The Recorder's Office therefore requests that any proposed new rate be similarly rounded off to the nearest $$0.05.

5. A survey conducted by the Recorder's Office of property transfer taxes charged in neighboring San Francisco Bay Area communities found that all counties in California charge a rate of $1.10 per $1,000 of property value ($0.55 per $500) and have a provision for the exemption of liens and encumbrances, or assumed indebtedness. Within each county, chartered cities may charge an additional property transfer tax. All of the Bay Area cities that charge additional transfer taxes do not have an exemption for liens and encumbrances and therefore these cities base their additional city transfer tax on the full value of the property.

The following chart identifies the five Bay Area counties' transfer tax rates and lists the cities located within each of these five counties that charge transfer taxes.

| County/City | County Transfer Tax per $500 of Value | City Transfer Tax per $500 of Value | Total Transfer Tax per $500 of Value |
|---|---|---|---|
| Alameda County | | | |
| City of Alameda | $0.55 | $2.20 | $2.75 |
| City of Albany | 0.55 | 2.20 | 2.75 |
| City of Berkeley | 0.55 | 5.00 | 5.55 |
| City of Oakland | 0.55 | 4.75 | 5.30 |
| City of Piedmont | 0.55 | 2.20 | 2.75 |
| Contra Costa County | 0.55 | 0 | 0.55 |
| No cities in Contra Costa County charge an additional transfer tax. | | | |
| Marin County | | | |
| San Rafael | 0.55 | .20 | 0.75 |
| San Mateo County | | | |
| City of San Mateo | 0.55 | 2.50 | 3.05 |
| Santa Clara County | | | |
| City of San Jose | 0.55 | 1.65 | 2.20 |
| City of Mountain View | 0.55 | 1.65 | 2.20 |

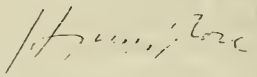
Based on the above data, if the proposed property transfer tax is increased in San Francisco to $3.73 per $500 of property value, other than the City of Berkeley and the City of Oakland, San Francisco will have the highest property transfer taxes in the Bay Area. However, as reported by Mr. Jamison, the City of Berkeley has a provision in their property transfer tax that excludes all personal residences if occupied for more than five years from paying any property transfer tax, when the property is sold. The City of Oakland has recently been sued because of its increased transfer taxes. However, as of the writing of this report, the courts have ruled in favor of the City increasing its transfer tax rates. Most cities in the Bay Area do not charge an additional property transfer tax.

6. State Proposition 136, which is on the November, 1990 ballot, would prohibit the City from increasing the transfer tax rates. Specifically, State Proposition 136 provides that in keeping with the spirit of Proposition 13, except as provided in Article XIII A, Sections 1 and 2 of the California Constitution, no new ad valorem taxes on real property or sales or transaction taxes (i.e., real property transfer taxes) may be imposed. If the proposed Proposition 136 is approved by the voters, no additional transfer taxes could be imposed after the November, 1990 election.

**Recommendation**

Approval of the proposed ordinance to increase the City's real property transfer tax from $2.50 to $3.73 per $500 of value and to delete the exemption for assumed indebtedness from the real property transfer tax is a policy matter for the Board of Supervisors.

If the proposed ordinance is approved, consideration should be given to rounding off the $3.73 rate to the nearest $0.05, or $3.75, as requested by the Recorder's Office for administrative ease.



Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
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# CALENDAR - ACTIONS TAKEN
## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, OCTOBER 24, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

### CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 64-90-36. [Lease of Property] Resolution authorizing lease of real property at 1145 Market Street, 6th Floor, for the Public Utilities Commission's Utilities Engineering Bureau (UEB). (Real Estate Department)

   b) File 64-90-37. [Lease of Property] Resolution authorizing lease of real property at 1145 Market Street, 4th Floor, for the Public Utilities Commission's Municipal Railway Fleet Engineering and Signal System Section. (Real Estate Department)

   c) File 64-90-38. [Lease of Property] Resolution authorizing a new lease of real property at 2789 25th Street, for the Department of Public Health, for the Paramedic Division. (Real Estate Department)

   d) File 64-90-39. [Lease of Property] Resolution authorizing lease of real property at 1145 Market Street, 4th Floor, for the Chief Administrative Officer's Solid Waste Management Program. (Real Estate Department)

   e) File 100-90-1.2. [Release of Funds] Requesting release of reserved funds, Public Utilities Commission - Water Department, in the amount of $45,000, for professional services contract with Martha Schauss and Toni Correlli to conduct Feral Swine Depredation Study. (Water Department)

f) File 130-90-4.1. [Grant - State Funds] Resolution authorizing the Chief Adult Probation Officer of the City and County of San Francisco to apply for, accept and expend funds in the amount of $41,500 made available through the Office of Criminal Justice Planning for a project entitled "Gang Caseloads Component of the Intensive Services Unit"; and agreeing to provide matching funds in the amount of $22,860; and rescinding Resolution No. 650-90. (Mayor)

g) File 146-90-76. [Grant - State Funds] Resolution authorizing the Department of Public Health, Bureau of Epidemiology and Disease Control, to apply for, accept and expend a grant of $45,000 from the State Department of Health Services for Perinatal Hepatitis B. Prevention Services. (Mayor)

ACTION: ITEMS 1c, 1e, and 1g SEVERED. REMAINDER OF CONSENT CALENDAR RECOMMENDED.

ITEM 1c, File 64-90-38. CONTINUED TO 10/31/90.)

ITEM 1e, File 100-90-1.2. HEARING HELD. RELEASE OF $45,000 RECOMMENDED; BALANCE OF $5,000 ON RESERVE TO BE RELEASED AND RETURNED TO THE UNAPPROPRIATED REVENUE OF THE WATER DEPARTMENT. FILED.

ITEM 1g, File 146-90-76. AMENDED TO PLACE $5,000 ON RESERVE FOR PERSONAL COMPUTER, PRINTER AND SOFTWARE PENDING EIPSC APPROVAL, AND PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN. NEW TITLE: "[[Grant - State Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, BUREAU OF EPIDEMIOLOGY AND DISEASE CONTROL, TO APPLY FOR, ACCEPT AND EXPEND A GRANT OF $45,000 FROM THE STATE DEPARTMENT OF HEALTH SERVICES FOR PERINATAL HEPATITIS B. PREVENTION SERVICES; PLACING $5,000 ON RESERVE; PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED.

REGULAR CALENDAR

2. File 47-90-12. [Garage Lease Documents] Ordinance approving and adopting Lombard Street Garage legal documents and authorization to lease. (Department of Parking and Traffic)

(10/15/90 - Rereferred to Committee by the Board.)

ACTION: RECOMMENDED.

3. File 153-90-4.1. [Release of Funds] Requesting release of reserved funds, Department of Social Services, in an amount totalling $6,203,725, from Red Cross Grant $3,338,725 and $2,865,000 from Federal Emergency Management Agency (FEMA), for food, shelter and other assistance for the homeless. (companion to Files 101-90-16.2 and 270-90-21.1) (Department of Social Services)

ACTION: HEARING HELD. RELEASE OF $3,244,925 IN RED CROSS GRANT AND $2,865,000 IN FEMA FUNDS RECOMMENDED. FILED.

4. File 270-90-21.1. [Release of Funds] Requesting release of reserved funds, Department of Social Services, in the amount of $696,000 from the Mayor's Earthquake Fund, for food, shelter and other assistance for the homeless. (companion to Files 101-90-16.2 and 153-90-4.1) (Department of Social Services)

   ACTION: HEARING HELD. RELEASE OF $696,000 RECOMMENDED. FILED.

5. File 101-90-16.2. [Release of Funds] Requesting release of reserved funds, Department of Social Services, in the amount of $455,996 from the Homeless Capital Reserve, for food, shelter and other assistance for the homeless. (companion to Files 270-90-21.1 and 153-90-4.1) (Department of Social Services)

   ACTION: HEARING HELD. RELEASE OF $455,996 RECOMMENDED. FILED.

6. File 97-90-45. [Professional Membership] Ordinance amending Administrative Code, by amending Section 16.6-16 thereof, to add sixteen new organizations to the membership list of the Recreation and Park Commission. (Recreation and Park Department)

   ACTION: CONTINUED TO 10/31/90.

7. File 97-90-49. [Special Laboratory Fund] Ordinance amending Administrative Code, by amending Section 10.117-24, relating to the Special Public Health Laboratory Fund. (Department of Public Health)

   ACTION: RECOMMENDED.

8. File 101-90-20. [Government Funding] Ordinance appropriating $537,000, Recreation and Park Department, for permanent salaries-miscellaneous, temporary salaries, related mandatory fringe benefits and the creation of eight positions; subject of previous budgetary denial. (companion to File 102-90-5) RO #90073 (Controller)

   ACTION: RECOMMENDED.

9. File 102-90-5. [Public Employment] Ordinance amending Annual Salary Ordinance, 1990-91, Recreation and Park Department, reflecting the restoration of eight positions (Classification 3260 Crafts Instructor). (companion to File 101-90-20) (Civil Service Commission)

   STATUS: RECOMMENDED.

10. File 100-90-13. [Health Services Plan and Budget] Draft resolution authorizing adoption of the County Health Services Plan and budget for the 1990-91 fiscal year, including the AB-8 component and the indigent health care component (Medically Indigent Services Program (MISP) and California Healthcare for Indigents Program (CHIP)), application for allocation of $80,254,168 in funds from the County Health Services Fund of the State and execution of agreement with the State Director of Health Services; and to accept and expend the funds allocated from the County Health Services Fund for the County Health Services Plan and budget of the City and County of San Francisco. (Supervisor Walker)

    ACTION: RECOMMENDED.

11. File 165-89-3. Hearing to consider update of Budget Analyst's September 1, 1989 report on City leases. (Supervisor Gonzalez)

(Continued from 1/2/90.)

ACTION: CONTINUED TO CALL OF THE CHAIR.

12. File 64-90-8. To consider report from the Budget Analyst on City lease agreements. (Supervisor Gonzalez)

ACTION: CONTINUED TO CALL OF THE CHAIR.

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

October 22, 1990

**TO:** Finance Committee

**FROM:** Budget Analyst -recommendations

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**SUBJECT:** October 24, 1990 Finance Committee Meeting

Item 1a - File 64-90-36

| | |
|---|---|
| **Department:** | Department of Real Estate |
| **Item:** | Resolution authorizing a new lease of real property for the Public Utilities Commission |
| **Location:** | 1145 Market Street, 6th Floor |
| **Purpose of Lease:** | Office space for the PUC's Utilities Engineering Bureau. |
| **Lessor:** | Trinity Properties |
| **No. of Sq. Ft. and Cost per Month:** | 13,129 square feet at $1.27/sq. ft./month=$16,728/ month |
| **Annual Cost:** | $200,736 |
| **% Increase Over 1989-90:** | This lease is new. |
| **Utilities and Janitor Services Provided by Lessor:** | Lessor provides gas, water, janitorial service and supplies, and scavenger service. The City is responsible for electricity. |
| **Term of Lease:** | January 1, 1991 through June 30, 1996 (5 and 1/2 years) |

**Escalation:** The proposed lease establishes the following base monthly rental rates:

| Monthly Rent | Percentage Increase | Effective Dates |
|---|---|---|
| $16,728 | – | 1/1/91 - 6/30/94 |
| $18,819 | 12.59%* | 7/1/94 - 6/30/95 |
| $19,465 | 3.4% | 7/1/95 - 6/30/96 |

* The 12.59 percent increase is roughly equivalent to a 4.2 percent increase for each of the three years from 1991 to 1994.

The base rent includes payments for building operating costs such as janitorial services provided by the lessor. However, beginning in 1992, the proposed lease also provides for a pass through of any proportionate increases in building operating expenses over the base year, which has been negotiated to be calendar year 1991. As the building's operating expenses increase (or decrease) each year over the base year of 1991, the City would be charged its percentage share of the increases (or reimbursed for decreases) on a monthly basis.

**Source of Funds:** PUC 1990-91 budget (Bureau non-Personnel Fund)

**Description:** In 1988, the PUC's Utilities Engineering Bureau (UEB) began performing design engineering and construction management with in-house Civil Service UEB staff rather than using outside consultants. This resulted in a reduction in the UEB's annual expenditures on outside contractors for design, engineering and construction management. However, the decision to use in-house Civil Service UEB staff resulted in a proposed increase in staffing of 60 positions, from 166 positions to 226 positions. Mr. Flint Nelson of UEB reports that 38 of the 60 new UEB staff positions have been filled. These UEB staff are located in office space at 1155 Market Street, as well as at Moccasin Creek in Tuolumne County and at the Water Department Offices in Millbrae and in San Francisco at 1990 Newcomb Street. At 1155 Market Street, Bureau staff currently occupy all of the 5th and 7th floors and part of the 4th floor.

To accommodate the expansion of the UEB staff, the UEB temporarily leased additional office space at 1155 Market Street, on the first floor, with the intention of seeking permanent office space once the Bureau's expansion was complete. UEB currently pays $3,875 per month ($1.50 /sq. ft./month) for 2,583 square feet of office space on the first floor at 1155 Market Street. In addition, the UEB has temporarily placed part of the additional staff at existing staff workstations located on the 4th, 5th, and 7th floors at 1155 Market Street, which has resulted in crowded conditions on these floors.

If the proposed resolution is approved, the UEB would vacate the first floor space at 1155 Market Street and lease the entire 6th floor at 1145 Market Street, consisting of 13,129 square feet of office area. The 6th floor space at 1145 Market Street would accommodate 58 staff positions of the UEB. The 58 positions to be moved to 1145 Market Street include 16 employees that would be relocated from the vacated first floor space, and 20 employees that would be relocated from the 4th, 5th and 7th floors of 1155 Market Street. The other 22 positions have yet to be filled under the Bureau's expansion plan.

**Comments:**

1. Mr. Gerald Romani of the Department of Real Estate advises that the $1.27/sq. ft./month is considered the fair market rate for the leased space at 1145 Market Street.

2. Under the proposed new lease at 1145 Market Street, 6th floor, the UEB would pay $1.27/sq. ft./month, which is $.23/sq. ft./month less than the $1.50/sq. ft./month the Bureau pays for the first floor space at 1155 Market Street. However, the total annual rental cost for the UEB would increase from $46,500 (for the 1st floor space at 1155 Market) to $200,736 (for the 6th floor space at 1145 Market) for an increase of $154,236 per year.

3. Currently, the 168 employees of the UEB occupy approximately 33,305 square feet of space on the 4th, 5th, and 7th floors of 1155 Market Street. The amount of office space per person is 198 square feet. In the temporarily leased space on the 1st floor of 1155 Market Street, 16 people work in 2,583 of office space, or 161 square feet per person.

4. If the lease for 1145 Market Street is approved, the amount of office space per person at the 1145 Market Street site would be 226 square feet (13,129 square feet divided by 58 employees). However, according to Mr. Romani, of the 13,129 square feet to be leased at 1145 Market Street, approximately 15 percent, or 2,003 square feet, is considered as non-usable office space. Assuming 11,126 square feet of usable office space and with 58 staff persons from UEB moving into the office space at 1145 Market Street, the usable amount of office space per person would be 192 square feet. Mr. Romani further states that UEB requires more office space per employee to accommodate large tables and counters, which are needed for their drafting and engineering responsibilities.

5. According to Mr. Nelson, the UEB estimates that performing the design, engineering, and construction management in-house rather than using outside consultants would reduce overall design, engineering, and construction management costs to the City. Mr. Nelson states that the City's UEB has lower overhead costs (70% for UEB versus 140% for private consultants), and does not have to allocate UEB staff time to manage the consultant contracts. Mr. Nelson also advises that on one recent large project, the actual City cost of performing the design, engineering, and construction management was $1,223,000, whereas the cost of contracting the design, engineering, and construction management would have been $1,635,000, based on contractor quotations. The decision to perform these specific services in-house saved the City $412,000, according to Mr. Nelson.

**Recommendation:** Approve the proposed lease.

Item 1b - File 64-90-37

**Department:** Public Utilities Commission
Department of Real Estate

**Item:** Resolution authorizing a new lease of real property for the Public Utilities Commission

**Location:** 1145 Market Street, portion of the 4th Floor

**Purpose of Lease:** Office space for the PUC's Municipal Railway (MUNI) Fleet Engineering and Signal System Section.

**Lessor:** Trinity Properties

**No. of Sq. Ft. and Cost per Month:** 3,750 square feet at $1.33/sq. ft./month = $4,975/ month

**Annual Cost:** $59,700

**% Increase Over 1989-90:** This is a new lease.

**Utilities and Janitor Services Provided by Lessor:** Lessor provides gas, water, janitorial service and supplies, and scavenger service. The City is responsible for electricity.

**Term of Lease:** January 1, 1991 through June 30, 1996 (Five and 1/2 years)

**Escalation:** The proposed lease establishes the following monthly base rents:

| Monthly Rental | Equivalent Annual Percentage Increase | Effective Dates |
|---|---|---|
| $4,975 | - | 1/1/91-6/30/91 |
| $5,578 | 12.1% | 7/1/91-6/30/93 |
| $5,625 | 0.8% | 7/1/93-6/30/94 |
| $5,703 | 1.4% | 7/1/14-6/30/95 |
| $5,859 | 2.7% | 7/1/95-6/30/96 |

The base rent includes payments for building operating costs such as janitorial services provided by the lessor. However, beginning in 1992, the proposed lease also provides for a passthrough of any proportionate increases in building operating expenses over the base, which has been negotiated to be calendar year 1991. As the building's operating expenses increase (or decrease) each year over the base year of 1991, the City would be charged its percentage share of the increases (or reimbursed for decreases) on a monthly basis.

**Source of Funds:** Transit Impact Development Fees (TIDF)

**Description:** The Fleet Engineering and Signal System Section currently has a staff of 13 City employees and five persons employed under personal services contracts located at the City-owned MUNI Headquarters on Presidio Avenue and the City-owned Green Light Rail Vehicle Station at 425 Geneva Avenue.

The Municipal Railway is currently implementing plans to expand Light Rail Vehicle (LRV) service in the Market Street Corridor. A part of the implementation plan requires that MUNI install an underground Advanced Train Control System in the Market Street area. Mr. Bob Highfill, the MUNI Fleet Engineering and Signal System Section Manager, states that the LRV Signal Systems Unit's efficiency would be significantly improved by placing the Unit in the same building with the Utilities Engineering Bureau (UEB) staff, who are also located at 1145 Market Street . Mr. Highfill also states that the 1145 Market Street location would be in close proximity to the Unit's primary consultants, who are also located in downtown San Francisco, and to other City Departments providing support.

The requested leased space would also permit consolidation of the Fleet Engineering and Signal System Section in one location.

**Comments:** 1. Mr. Gerald Romani of the Department of Real Estate advises that the $1.33/sq. ft./month ($4,975 rent/month) is considered the current fair market value rate for the leased space.

2. The City-owned space that the Fleet Engineering and Signal System Section currently occupies at MUNI Headquarters and at the Green LRV Station would be used by MUNI to alleviate overcrowded conditions at those two locations.

3. Mr. Ed Harrington of the PUC, advises that Transit Impact Development Fees have been appropriated to pay for the requested leased space.

4. If the lease for 1145 Market Street is approved, the amount of office space per person would be 208 square feet. However, according to Mr. Romani, of the 3,750 square feet to be leased at 1145 Market Street, approximately 21 percent, or 774 square feet, is considered as non-usable office space. Assuming usable office space of 2,976 square feet and with 18 staff persons from the Fleet Engineering and Signal System Section moving into the office space at 1145 Market Street, the usable amount of office space per person would be 165 square feet.

**Recommendation:** Approve the proposed lease.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

Item 1c - File 64-90-38

**Departments:** Department of Public Health (DPH)
San Francisco General Hospital (SFGH), Paramedic Division
Real Estate

**Item:** Resolution authorizing a new lease of real property

**Location:** 2789-25th Street (first floor, mezzanine and a portion of the second floor)

**Purpose of Lease:** Expand and consolidate the Paramedic Division operations

**Lessor:** Plant Properties, Inc.

**No. of Sq. Ft. and Cost per Month:**

| | Initially | After Phase I Renovation | After Phase II Renovation |
|---|---|---|---|
| Square Footage | 38,379 | 38,379 | 38,379 |
| Cost per Square Foot per Month | $0.64 | $1.28 | $1.52 |
| Monthly Cost | $24,491 | $48,938 | $58,383 |
| Annual Cost | $293,892 | $587,256 | $700,596 |

In addition to the rental cost increases resulting from Phase I and Phase II Renovations, as shown above, the proposed lease agreement would provide for an additional five percent increase in rental fees in 1992.

**Term of Lease:** The proposed lease would commence on the date the proposed legislation is approved by the Board of Supervisors and would expire June 30, 2000.

**Right of Renewal:** 10-year term with no options to renew

**Lease/ Purchase Option:** The City has the option to purchase the property through June 30, 1999 as well as the option to lease the remainder of the second floor, the entire third floor and the remaining parking area should they become available during the term of the lease.

**Utilities and Janitor Services Provided by Lessor:** The City would pay for gas, water, sewer charges, refuse, separately metered electricity and provide janitorial services. Existing Hospital personnel, now assigned for janitorial services would be utilized for the new space. The estimated cost for all utilities is approximately $.09 per square foot per month.

**Source of Funds:** SFGH Operating Fund. Funds have been appropriated in the 1990-91 budget for the move and the rental costs for the new paramedic facility.

**Comments:**

1. The proposed resolution would authorize the Paramedic Division to lease the first floor, mezzanine and a portion of the second floor of the building at 2789-25th Street as well as a parking structure which is adjacent to the building. The Paramedic Division currently operates out of two City-owned facilities. The Paramedic Division's administrative headquarters and Ambulance Communication Medical Dispatch Center (CMED), occupy 3,000 sq. ft. of space at 135 Polk Street and the Division's ambulance deployment and resupply functions occupy 2,700 sq. ft at the Park Emergency Hospital Station in Golden Gate Park. The Paramedic Division consists of nearly 200 employees with 23 vehicles and handles supply operations for 60,000 ambulance runs per year. The Paramedic Division also operates the CMED, conducts classroom training, maintains vehicles and equipment, and provides storage for medical records.

2. The Board of Supervisors recently approved a jurisdictional transfer between SFGH and the Recreation and Park Department (Resolution 199-90-2) whereby the Paramedic Division will vacate the Park Emergency Hospital Station. According to Ms. Kathy Murphy of SFGH, the Paramedic Division's largest concern with the Park Emergency Hospital Station is its location in Golden Gate Park. Ms. Murphy adds that due to this location the Paramedic Division experiences difficulties in responding to approximately 70 percent of the calls which are located across town, in the Mission District. In addition, the Paramedic Union has recently filed a grievance against the City for inadequate working conditions at the Park Emergency Hospital Station involving issues such as overcrowding and the run-down conditions of the building.

3. Ms. Murphy reports that 135 Polk Street may not be seismically safe and that the CMED emergency dispatch operations would be interrupted in the event of an earthquake. Ms. Murphy states that the administrative and the CMED staff at 135 Polk Street are also overcrowded due to the shared occupancy with the Dr. Tom Waddell Clinic, a clinic which provides outpatient services to the homeless with Aids. According to Ms. Murphy, the Tom Waddell Clinic is currently expanding its services and eventually the Tom Waddell Clinic will occupy the existing office space of the administrative and CMED staff.

4. According to Ms. Murphy, the proposed new facility at 2789-25th Street would provide for the following needs of the Division:

- Seismic structural safety for the Division and the CMED staff to insure emergency services during and after an earthquake.
- Adequate space to consolidate operations and enhance working conditions.
- Improve ambulance efficiency by positioning the Division where approximately 70 percent of the ambulance calls originate.
- Allow interaction between the Division and SFGH due to the facility's close proximity to SFGH.
- Improved protection of vehicles and equipment (the first floor of the facility is an enclosed garage for ambulances).
- Closer access to the Central Shop used for ambulance maintenance and refueling, therefore increasing ambulance availability and response time.
- An adjacent parking structure for 45 staff vehicles.

5. The proposed new facility would require renovations that would be completed in two Phases. Ms. Claudine Venegas of the Real Estate Department reports that the renovations would be completed by Plant Properties, Inc. at no initial cost to the City. The Phase I Renovations would commence on the date that the proposed legislation is approved by the Board of Supervisors. Ms. Venegas anticipates the renovations to begin approximately November 1, 1990 and continue for a maximum of 180 days or until April 30, 1991. Phase I Renovations would include the interiors of the building only. At the completion of the Phase I Renovations, the City is obligated to pay an increased monthly rental fee of $24,447 for a total of $48,938 per month. Phase II Renovations would begin immediately after Phase I Renovations are complete. The Phase II Renovations will require a maximum of 45 days

to complete, or until June 14, 1991. Phase II Renovations would include substantial renovation of the parking structure adjacent to the building. At the completion of Phase II, and until the expiration of the term of the lease, the City would pay the proposed monthly rental fee of $58,383 an additional increase of $9,445 per month.

6. The proposed resolution would also allow for a five percent increase in rental fees effective in 1992. Ms. Venegas reports that this is an acceptable increase in rental fees. Ms. Venegas adds that the initial rent and the increases due to the renovations are reasonable rental fees.

7. Ms. Venegas reports that due to the unique nature of the renovations, the City has requested the option to purchase the property through June 30, 1999. An option to purchase has been included in the proposed lease agreement. Ms. Venegas adds that on the date that the City decides to exercise their option to purchase the facility, the purchase price will be determined by three independent appraisers. The option included in the purchase agreement would require the City to provide for the cost of the first appraiser. Plant Properties, Inc. would provide for the cost of the second appraiser, and the cost of the third appraiser would be shared between both the City and Plant Properties, Inc. The purchase price of the facility would then be established by these three independent sources which would assure that the cost of the facility would represent the fair market value of the facility on the date of the purchase. However, the appraised value will include the increased value attributable to the improvements, which the City will compensate the owner for through increased rent during the time the property is leased. No consideration of such compensation paid by the City is specified in the terms of the purchase option of the proposed agreement.

The purchase price, if the option to purchase is exercised by the City, would be reduced by the amount of the real estate transfer tax that would otherwise be paid. Under both the State Revenue and Taxation Code and the local ordinance, real estate transfer taxes are not paid for transactions involving the purchase of property by governmental agencies. Therefore, this provision protects the City from overpaying since the City's General Fund would not receive any revenue from this real estate transaction. (Under the State Revenue and Taxation Code and the local ordinance, transactions involving properties sold by governmental agencies are subject to transfer taxes. Such taxes are usually paid by the buyer as part of the purchase price.)

The proposed lease also includes the option to lease additional space (the remainder of the second floor, the entire third floor and the remaining parking area) now leased by an architectural firm.

8. Ms. Murphy states that the Paramedic Division would begin moving into the facility after the completion of the Phase I Renovations or approximately April 30, 1991. However, the initial rental fees would begin on the date that the proposed legislation is approved by the Board of Supervisors. Ms. Murphy adds that the moving costs for the Paramedic Division have been approved in the 1990-91 budget.

9. The Real Estate Department uses a space guideline per employee factor of between 125 and 200 square feet adjusted for special needs of the operation. The working space includes the area for desks, chairs, file cabinets and a pro rata portion of the common areas of a building that are shared and used by all employees. The Real Estate Department's calculations for the actual space per employee currently needed and the proposed space per employee are as follows:

| | 135 Polk St. Admin. and CMED | Park Emergency Hospital Station | Proposed 2789-25th Street Facility |
|---|---|---|---|
| Usable Space (Sq.Ft.) | 3,000 | 2,700 [A] | 38,379 [B] |
| Add Approximate Common Use Space (15 Percent) | 450 | 405 | n/a |
| Less Ambulance Parking Space | n/a | n/a | 12,295 |
| Total Space (Sq.Ft.) | 3,450 | 3,105 | 26,084 |
| Employees | 46 | 132 | 178 |
| Space Per Employee (Sq.Ft.) | 75 | 24 | 147 |

10. The Budget Analyst has recalculated the average space per employee at the proposed new facility for administration and CMED based on the following other considerations:

- The 132 Paramedic employees spend most of their working hours in the field and therefore do not have the same space requirements as office employees, upon which the 150 sq. ft. average is based.

[A] Does not include outside parking space for ambulances.

[B] Includes inside garage space for parking ambulances and all common use spaces.

- CMED is a 24-hour operation, seven days a week. Therefore, although there are a total of 20 CMED dispatchers, there are only five dispatch consoles in operation at any one time.
- CMED staff require additional space for clerical duties away from the dispatch consoles.
- The space for medical records currently stored in the basement at 135 Polk Street was not included in the prior calculations but is part of the proposed facility.
- First floor and mezzanine space at the proposed new facility will be used exclusively for ambulance parking and paramedic related activities which should not be included in comparisons of "office" space.

The Budget Analyst's recalculations are as follows:

| | |
|---|---|
| Total space at proposed new facility | 38,379 sq. ft. |
| Less: | |
| First floor and mezzanine space devoted to ambulance parking and other paramedic related activities | 22,977 sq. ft. |
| Conference and training rooms (excluded from sq. ft. guideline comparisons) | 2,976 sq. ft. |
| Space for medical records storage, for special electronic equipment for dispatch services and for extra hallways necessitated by location of existing tenant and elevators and stairways | 2,974 sq. ft. |
| Net space used by administration and CMED | 9,452 sq. ft. |
| Divide by number of workstations for administrative and CMED staff | ÷ 45 |
| Net space per administrative and CMED workstation that is comparable to sq. ft. guideline | 210 sq. ft. |

11. It should be noted that the average of approximately 210 sq. ft. per administrative and CMED workstation, including common area space (such as hallways, restrooms, stairs and breakrooms), is at the upper end of the square footage guideline used by the Real Estate Department. According to Dr. Charles Saunders of the Paramedic Division, the

proposed new facility was selected primarily because of the following factors:

- The location of the facility which is in close proximity to both SFGH and the Mission District (where approximately 70 percent of emergency calls originate).

- The Paramedic Division, according to Dr. Saunders, is obligated to consider taking over the billing function for ambulance services which could result in the need for additional space for additional employees in the proposed new facility.

- The Paramedic Division is planning to expand their training functions.

- During an emergency, such as the October 17, 1989 earthquake, the CMED dispatch center becomes a command center that requires working space for more than double the normal staff level.

- The building configuration (the elevator is in the center) requires an above average use of the hallways.

12. As previously mentioned, the Paramedic Division is currently occupying City-owned facilities at 135 Polk Street and the Park Emergency Hospital at no additional cost to the City. In comparison, under the proposed resolution, the annual initial rental cost to the City for the Paramedic Division would increase to $293,892. These annual rental costs will increase to an annualized $587,256 after Phase I renovations are completed in April 1991, and to an annualized cost of $700,596 after the Phase II renovations are completed by June, 1991.

**Recommendation:** The proposed resolution authorizing the Paramedic Division to a new lease of real property at 2789-25th Street, which would result in an increase in space of 32,679 sq. ft. and an increase in annual rental costs of $700,596 by June 1991, and which includes a purchase option that does not take into account the rental payments made by the City to the owner for the cost of improvements, is a policy matter for the Board of Supervisors.

Memo to Finance Committee
October 24, 1990

Item 1d - File 64-90-39

**Department:** Department of Real Estate

**Item:** Resolution authorizing a new lease of real property for the Chief Administrative Officer's Solid Waste Management Program

**Location:** 1145 Market Street, 4th floor

**Purpose of Lease:** Office space for CAO's Solid Waste Management Program

**Lessor:** Trinity Properties

**No. of Sq. Ft. and Cost per Month:** 4,837 Square Feet @ $1.33/sq. ft./month = $6,417/ month

**Annual Cost:** $77,004

**Utilities and Janitor Services Provided by Lessor:** Lessor provides gas, water, janitorial services and supplies and scavenger service.

**Term of Lease:** January 1, 1991 through June 30, 1996 (5 and 1/2 years)

**Escalation:** The proposed lease establishes the following base monthly rental rates:

| Monthly Rental | Equivalent Annual Percentage Increase | Effective Dates |
|---|---|---|
| $6,417 | – | 1/1/91 - 6/30/91 |
| $6,795 | 5.9% | 7/1/91 - 6/30/92 |
| $7,172 | 5.5% | 7/1/92 - 6/30/94 |
| $7,550 | 5.3% | 7/1/94 - 6/30/95 |
| $7,654 | 1.4% | 7/1/95 - 6/30/96 |

The base rent includes payments for building operating costs such as janitorial services provided by the lessor. However, beginning in 1992, the proposed lease also provides for a pass through of any proportionate increases in building operating expenses over the base year, which has been negotiated to be calendar year 1991. As the building's operating expenses increase (or decrease) each year over the base year of 1991, the City would be charged its percentage share of the increases (or reimbursed for decreases) on a monthly basis.

**Source of Funds:** The Solid Waste Management Program has allocated sufficient funds in their 1990-91 budget, which is funded from Refuse Collection and Disposal fees.

**Description:** According to Mr. Joseph Johnson of the Solid Waste Management Program, in response to mandates of new State solid waste legislation, the Program has increased in size from 13 staff persons in 1989-90 to 18 in 1990-91, with a corresponding increase in budget from $1,804,511 to 2,081,876. Part of the Program's budget includes funding for rental of office space for the entire Solid Waste Management Program.

Because of the growth of the Solid Waste Management Program, office space used by the staff has become overcrowded, and Program staff have had to seek unoccupied office space in various locations at City Hall. Presently, the Solid Waste Management Program occupies space in Rooms 271, 276, the Recorder's Office, and the Registrar's Office at City Hall. In addition, a portion of the Solid Waste Management Program staff is located in office space, free of charge, at the San Francisco Unified School District offices at Fort Funston. To eliminate overcrowded office conditions at City Hall and to consolidate the location of Program staff, the CAO's Solid Waste Management Program proposes to move all of its personnel into office space located at 1145 Market, on the 4th floor.

The Real Estate Department reports that the CAO's Convention Facilities Management, Waterfront Project, Unreinforced Masonry Building Seismic Safety Project, and the Graffiti and Litter Fund Project would move into the vacated space at City Hall.

**Comments:**

1. Mr. Gerald Romani of the Department of Real Estate advises that the $6,417/month ($1.33/sq. ft./month) is considered the current fair market value for this leased space.

2. The six-month rental cost of the leased space, from January 1, 1991 through June 30, 1991, is $38,502. The Solid Waste Management Program has allocated sufficient funds in their 1990-91 budget for office rental and for moving and office furnishing costs.

3. If the lease for 1145 Market Street, 4th floor, is approved, the amount of office space per person would be 269 square feet. However, according to Mr. Romani, of the 4,837 square feet to be leased at 1145 Market Street, approximately 21 percent, or 999 square feet, is considered as non-usable office space. Assuming usable office space of 3,838 square feet and with 18 staff persons from the Solid Waste Management Program moving into the office space on the 4th floor at 1145 Market Street, the usable amount of office space per person would be 213 square feet. However, Mr. Romani states that, in addition to office space for its staff, the Solid Waste Management Program requires office space to store public information materials on recycling, for a library of recycling information, for a conference room, and for a work room for assembling the public information materials.

**Recommendation:** Approve the proposed lease.

Item 1e - File 100-90-1.2

**Departments:** Water Department

**Proposed Action:** Release of reserved funds, previously appropriated for implementation of a Feral Swine Depredation Program. The funds were appropriated in the Water Department's 1990-91 budget to fund a Feral Swine Population Study, which is a necessary step prior to implementing the Depredation Program.

**Amount:** $45,000

**Source of Funds:** Water Department operating funds

**Description:** In July of 1990, the Board of Supervisors approved $50,000 in the Water Department's FY 1990-91 budget to fund the implementation of a Feral Swine Depredation Program. The $50,000 was reserved pending submission of additional contractual data, including proposed hourly rates and MBE/WBE participation.

The Feral Swine Depredation Program is designed to control the population of feral swine (wild pigs) in the Alameda/Santa Clara watersheds. Those watersheds service the Calaveras and the San Antonio Reservoirs. Feral swine cause soil erosion in watersheds by uprooting vegetation, which results in an increase of water contaminants. The Depredation Program is the second phase of a proposed two-phase effort to control the feral swine population. The first phase of the effort would be a Feral Swine Population Study to determine the extent of damage to, and the approximate number of feral swine in, the watersheds.

The Feral Swine Population Study, which would precede the Depredation Program, was to have been funded in the current year (FY 1990-91) with FY 1989-90 carryforward funds, which in turn had been carried forward from FY 1988-89 unexpended Water Department operating funds. As reported by Mr. Ed Harrington of the PUC, the Mayor's Office denied the Department's carryforward request because the PUC's certification of that intended contract was delayed due to contract compliance issues. Those funds, originally carried forward from FY 1988-89 in the amount of $50,000, were returned to the Water Department's Unappropriated Revenues. As previously noted, the funds for the

proposed Feral Swine Population Study would now be financed in the Department's FY 1990-91 budget.

The Public Utilities Commission has authorized the Water Department to execute an agreement with Martha Schauss-Toni Corelli for an amount not to exceed $45,000 to perform a wildlife management and depredation study to control feral swine in the Alameda/Santa Clara watersheds. A listing of the consultants who submitted proposals in response to the Water Department's Request-for-Proposal (RFP) for the Study, including the MBE/WBE/LBE status of each, price, and the evaluation scores obtained through the RFP process is shown below.

| Contractor | Contract Amount | RFP Raw Score | MBE/WBE/LBE Status | RFP Adjusted Score |
|---|---|---|---|---|
| Bio Systems Analysis, Inc. | $46,757 | 204 | None | 204.0 |
| Environmental Services | $45,000 | 216 | LBE | 226.8 |
| Wildland Resource Managers | $62,253 | 146 | None | 146.0 |
| Martha Schauss-Toni Corelli | $45,000 | 257 | None | 257.0 |

A cost summary of the proposed $45,000 award is as follows:

Consultant Cost Summary

| | |
|---|---|
| Consultant fees | $32,724 |
| Driving Expenses | 4,645 |
| Materials | 5,631 |
| Miscellaneous (telephone, copying, etc.) | 500 |
| Insurance | 1,500 |
| Total | $45,000 |

Mr. Harrington further states that funds for the Feral Swine Depredation Program would be requested in the Water Department's FY 1991-92 budget, if the Population Study is allowed to proceed as herein requested.

**Comments:**

1. Ms. Adriana Gross of the Water Department states that the initiation of the effort to bring the feral swine population under control has met with a number of delays including (1) all PUC contracts being put on hold while the MBE/WBE/LBE ordinance was being revised, (2) scope-of-work revisions during the RFP process, (3) extended review by the City Attorney.

2. The Water Department has provided the attached Work Schedule and List of Deliverables for the proposed Feral Swine Population Study.

**Recommendations:**

1. Based on the Board of Supervisors prior approval of funds to perform a Feral Swine Population Study and a Feral Swine Depredation Program, release funds in the amount of $45,000 to perform the population study.

2. Direct a letter to the Controller releasing the balance of $5,000 for return to the Unappropriated Revenues of the Water Department.

1990 Fall (November - January)
Rooting Plots
Identify and prebait trapping locations
Trap and radiocollar
Radiotrack
Walk transects

1991 Winter (February - April)
Contact grazing lessees, neighboring landowners
Radiotrack
Check rooting plots
Contact Calif. Dept. Fish & Game, other agencies
Submit progress report

Spring (April - June)
Radiotrack
Continue to check rooted plots
Rooting survey
Habitat survey

Summer (July - September)
Walk transects
Radiotrack

Fall (October - November)
Develop management plan
Data analysis
Final report

Item 1f - File 130-90-4.1

**Department:** Adult Probation

**Item:** Resolution to rescind and resubmit a resolution (File 130-90-4) previously approved by the Board of Supervisors that authorized the Adult Probation Department to apply for, accept and expend a $41,500 California Office of Criminal Justice Planning (OCJP) grant.

The original resolution inadvertently did not contain the standard hold harmless clause required by the State. The proposed resolution is exactly the same as the original resolution except for the hold harmless clause language that has been added. The hold harmless clause provides that the City, not the State OCJP, is responsible for any liability arising out of the performance of the grant award agreement.

The Budget Analyst's previous report regarding this grant is attached.

**Recommendation:** Approve the proposed resolution.

Item 1f - File 130-90-4

**Agency:** Adult Probation

**Item:** Resolution authorizing the Chief Probation Officer to apply for, accept and expend continuation grant funds, and agreeing to provide matching funds of $22,860.

**Grant Amount:** $41,500

**Source of Grant:** California Office of Criminal Justice Planning (OCJP), Gang Violence Suppression Funds

**Grant Period:** July 1, 1990 through June 30, 1991

**Project:** Gang Caseloads Component of the Intensive Services Unit

**Description:** The proposed grant would fund one 8440 Probation Officer, required OCJP travel costs, and operating expenses to provide intensive supervision and surveillance of Latino males between the ages of 18 and 30 who are on probation for gang-related criminal activity. This program has been in operation since 1986.

**Number of Persons to be Served:** 40 to 50 probationers

**Project Budget:**

| | | |
|---|---|---|
| Personnel | | |
| 1 8442 Sr. Probation Officer | $45,259 | |
| Fringe Benefits | 12,049 | |
| Total Personnel | | $57,308 |
| Travel (OCJP Requirement) | | |
| Use of employee's car for field visits (163 miles/mo. x 12 mos. x $0.22/mile) | 430 | |
| Travel, meals, dues for participation in State-wide Gang Task Force | 444 | |
| OCJP administered training and meetings (bi-annual, two-day meetings) | | |
| Registration | 190 | |
| Hotel (2 nights @ $79/night x 2 meetings) | 316 | |
| Meals ($37/day x 4 days) | 148 | |
| Travel and ground transportation to meetings in Orange County | 356 | |
| Total Travel Expenses | | 1,884 |

| | | |
|---|---|---|
| Operating Expenses: | | |
| Annual grant audit | $643 | |
| Indirect Costs | 4,525 | |
| Total Operating Expenses | | $ 5,168 |
| Total Project Budget | | $64,360 |
| Less Proposed Grant | | 41,500 |
| Total Local Match | | $22,860 |

**Indirect Costs:** $4,525, or 10 percent of personnel salaries.

**Required Match:** $22,860, or 35.5 percent of the total project budget. The required match of $22,860 is included in the Adult Probation's 1990-91 budget.

**Comments:** 1. This is the third year that a local match has been required for this project. The matching funds requirement of $22,860 has increased from 31 percent ($18,654) in fiscal year 1989-90 to 35.5 percent in the proposed 1990-91 budget. Mr. Tom Jobe of Adult Probation reports that the State has determined that the grant amount for 1990-91 will be the same as the 1989-90 amount of $41,500, and that the City is required to fund the $22,860 difference between the total project costs of $64,360 and the grant amount of $41,500. In fiscal year 1989-90, the total project costs were $60,154 ($41,500 State grant plus $18,654 local match).

2. The services for this program were previously performed by an entry level 8440 Probation Officer. On November 13, 1989, the Civil Service Commission approved the upward reclassification of the 8440 Probation Officer ($38,974 annually, at the top step) to a 8442 Senior Probation Officer ($42,900 annually, at the top step) based on the difficulty and complexity of the work involved. In May of 1990, the Board of Supervisors approved a resolution (File 130-90-2) authorizing the Chief Probation Officer to increase the local match by $4,821 from $13,833 to $18,654 to account for the increased cost of the reclassification. The increased match of $18,654 represented 31 percent of the total project costs of $60,154 in FY 1989-90. In May of 1990, the Adult Probation Department had reported to the Board that the FY 1990-91 grant amount could be expected to remain constant at $41,500, and that the local match could be expected to be more than 31 percent in FY 1990-91. The additional local match cost increase from $18,654 in FY 1989-90 to the

proposed match of $22,860 in FY 1990-91, an increase of $4,206, is largely the result of salary standardization.

3. According to the Adult Probation Department, the program's narrow focus based upon ethnic background permits the Probation Officers to develop a greater familiarity with gang structure, membership and behavior patterns. A second Probation Officer, funded by a separate grant, supervises a gang caseload largely comprised of Asians.

4. The Department has prepared a Summary of Grant Request, which is attached.

**Recommendation:** Approve the proposed resolution.

Item No. _____ - Summary of Grant Request Rev. 4/10/90

Grantor California Office of Criminal Justice Planning
Division Adult Probation Department
Contact Person Olin Jones
Section Community Services
Address 1130 K Street
Sacramento, CA 95814
Contact Person Sergio Calizo
Telephone 553-1919
Amount Requested $ 41,500
Application Deadline 6-30-90
Term: From 7-1-90 To 6-30-91
Notification Expected _____
Board of Supervisors: Finance Committee _____
Full Board _____

I. Item Description: (Circle appropriate words)
Request to (~~apply for~~) (accept and expend) a (~~new~~) (continuation) (~~allocation~~) (~~augmentation to a~~) grant in the amount of $ 41,500 from the period of 7-1-90 to 6-30-91 to provide intensive supervision services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
This grant is entering its fifth year, and is basically unchanged since inception. One probation officer intensively supervises a caseload of up to 50 probationers who are gang members. The majority of the caseload is Hispanic. The officer has a thorough knowledge of Hispanic gang activities and of community resources. He works closely with the police, DA and various treatment providers

III. Outcomes/Objectives:
The objective is to lower the recidivism of probationers assigned to the grant caseload, either through their rehabilitation or their prompt incarceration if they commit probation violations.

IV. Effects of Reduction or Termination of These Funds: The program would end, resulting in the removal from close probation supervision of 50 felons who are members of criminal gangs. Those individuals would be less likely to receive rehabilitation services or to be returned to court for violations of probation.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 44,266 | 41,500 | 41,500 | 0 | 22,860 | |
| Personnel | 48,150 | 54,131 | 57,308 | +3,177 | | |
| Equipment | 0 | 0 | 0 | 0 | | |
| *Contract Svc. | 0 | 0 | 0 | 0 | | |
| Mat. & Supp. | 0 | 0 | 0 | 0 | | |
| Facilities/Space | 0 | 0 | 0 | 0 | | |
| Other | 3,437 | 2,111 | 2,527 | + 416 | | |
| Indirect Costs | 3,746 | 3,912 | 4,525 | + 613 | | |

VI. Data Processing
(costs included above) N/A

VII. Personnel

| | | | | | | |
|---|---|---|---|---|---|---|
| F/T CSC | 1 | 1 | 1 | None | | |
| P/T CSC | 0 | 0 | 0 | | | |
| Contractual | 0 | 0 | 0 | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How? Yes, because of seniority. However, the most recently hired probation officer in the Department would be laid off.

*VIII. Contractual Services: Open Bid _____ Sole Source _____ (if sole source, attach Request for Exemption Form)

N/A

Item 1g - File 146-90-76

**Department:** Department of Public Health (DPH), Bureau of Epidemiology and Disease Control

**Item:** Resolution authorizing the Department of Public Health to apply for, accept and expend a new State grant.

**Grant Amount:** $45,000

**Source of Grant:** State Department of Health Services

**Grant Period:** October 1, 1990 through June 30, 1991

**Project:** Perinatal Hepatitis B Prevention Program

**Project Description:** The proposed State grant would be used by the DPH, Bureau of Epidemiology and Disease Control to develop and maintain a program aimed at preventing perinatal transmission of the Hepatitis B virus. The program objectives of the proposed Perinatal Hepatitis B Prevention Program, as provided by DPH, are as follows:

1. Determine the extent of pregnant women receiving prenatal care who are not being screened for Hepatitis B and decrease those numbers by 75 percent. To accomplish this objective, a mailed survey of prenatal care providers would be conducted, followed by a general education effort and a followup survey to measure success.

2. Determine the extent of laboratories and health care providers who are not reporting Hepatitis B carriers and decrease those numbers by 75 percent. To accomplish this objective, a surveillance system for reporting of Hepatitis B carrier mothers, by laboratories and health care providers, would be established and maintained.

3. Assure that at least 90 percent of infants who are born in San Francisco and who are perinatally exposed to Hepatitis B receive HBIG (emergency vaccine) and a first dose of Hepatitis B vaccine within 12 hours of birth.

4. Assure that at least 90 percent of infants who live in San Francisco and who are at high risk of perinatal Hepatitis B transmission complete the Hepatitis B vaccine series.

5. Assure that least 70 percent of household contacts of identified carrier mothers who live in San Francisco are screened for Hepatitis B markers (the administering of a battery of tests).

6. Assure that at least 50 percent of household contacts who live in San Francisco and are identified as susceptible to Hepatitis B receive all three doses of Hepatitis B vaccine.

To accomplish program objectives 3-6, a registry of Hepatitis B carrier mothers would be established, case management of infants and household contacts would be conducted and an educational program component would be developed and implemented.

**Project Budget:**

| | | |
|---|---|---|
| Personnel | | |
| Project Coordinator (1.0 FTE) | $24,768 | |
| Fringe Benefits | 6,687 | |
| Subtotal | | $31,455 |
| Operating Expenses | | |
| Office Supplies | $ 850 | |
| Lab Services | 5,200 | |
| Personal Computer, Printer & Software | 5,000 | |
| Health Education Materials | 1,595 | |
| Travel | 900 | |
| Subtotal | | 13,545 |
| Total | | $45,000 |

**Indirect Costs:** None

**Required Match:** None

**Comments:**

1. Mr. Carlos Rendon of DPH reports that the Department has not, as yet, received EIPSC approval for the purchase of the personal computer, printer and software. Therefore, the Budget Analyst recommends that the $5,000 designated for the purchase of the personal computer, printer and software be placed on reserve pending EIPSC approval.

2. Attached is a "Summary of Grant Request" as prepared by the Department of Public Health for the State grant.

**Recommendation:** Amend the proposed resolution to reserve the $5,000 designated for the personal computer, printer and software pending EIPSC approval and approve the resolution as amended.

Item No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

Grantor State Dept. of Health Services
Contact Person Les Burd
Address 2151 Berkeley Way
Berkeley, CA 94704

Division Community Public Health Services
Section Epidemiology and Disease Control
Contact Person Carlos Rendon
Telephone 554-2832

Amount Requested $ 45,000
Term: From 10-1-90 To 6-30-91
Application Deadline September 14, 1990
Notification Expected September 30, 1990
Health Commission 10-2-90 Board of Supervisors: Finance Committee 10-24-90
Full Board _____

I. Item Description: (Cross appropriate words)
Request to ~~apply for~~ (accept and expend) a (new) ~~(continuation)~~ ~~(allocation)~~ ~~(augmentation)~~ grant in the amount of $ 45,000 from the period of 10-1-90 to 6-30-91 to provide perinatal hepatitis B prevention services.

II. Summary: (Context/history; need addressed; number + groups served; services and providers)
A new grant to develop and maintain a program to prevent perinatal transmission of hepatitis B virus. The program provides for the screening of pregnant women, and for immunoprophylaxis of the infants born to hepatitis B antigen positive pregnant women, as well as to the household contacts of these women.

III. Outcomes/Objectives:
Prevent perinatal transmission of hepatitis B and thus prevent the resultant high incidence of cirrhosis, primary liver cancer and premature death that would otherwise occur among those born to hepatitis B carrier mothers.

IV. Effects of Reduction or Termination of These Funds:
An essential public health program would not exist in a city with a very high risk population. Currently, over one fourth of all births to hepatitis B carrier mothers in the U.S. are thought to occur in California.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | N/A | N/A | $ 45,000 | | N/A | |
| Personnel | | | 31,455 | | | |
| Equipment | | | 5,000 | | | |
| Contract Svc. | | | 0 | | | |
| Mat. & Supp. | | | 850 | | | |
| Facilities/Space | | | 0 | | | |
| Other | | | 7,695 | | | |
| Indirect Costs | | | ** | | | |
| VI. Data Processing (costs included above) | | | | | | |

**State subvention funds may only be used for direct program services. Indirect costs are not allowed.

VII. Personnel

| | | | | | | |
|---|---|---|---|---|---|---|
| F/T CSC | | | 1 | | | |
| P/T CSC | | | 0 | | | |
| Contractual | | | N/A | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?
This is the first year of a continuation state subvention grant.

VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Justification (Justification) Form)

Item 2 - File 47-90-12

**Note:** This item was re-referred to the Finance Committee as a result of action taken in the Board of Supervisors meeting of October 15, 1990.

1. The proposed ordinance would authorize the Director of Property on behalf of the Parking Authority to call for bids for a five-year lease of the Lombard Street Garage and would approve the required legal documents. Administrative Code Section 17.14 requires approval of the Board of Supervisors by ordinance as to the form of the lease documents and of the invitation for bids.

2. The Lombard Street Garage, located at 2055 Lombard Street, has 205 stalls and serves approximately 5,800 vehicles per month. Seven of the 205 parking stalls are reserved for the exclusive use of the United States Postal Service, from whom the lessee would receive no revenues. The current lease with Five Star Parking Company expires on January 31, 1991. The current monthly rental rate payable by Five Star to the City is 67.18 percent of gross revenues (net of parking tax) with a minimum required monthly rental payment of $10,000. The average monthly rent currently paid to the City is $10,000, the minimum monthly rent.

3. The proposed lease documents call for a minimum monthly rent of $5,000, or $5,000 less per month than the $10,000 minimum monthly rent under the existing lease. (See Comment No. 1 below)

4. The existing parking rates (tax included) to be charged by the lessee per automobile parked in said garage are as follows:

Hourly Parking

| Day Rates: 9:00 a.m. - (Sunday, 11:00 a.m.) to 6:00 p.m. | | |
|---|---|---|
| 1 hour | $ .75 | |
| 2 hours | 1.50 | |
| 3 hours | 2.50 | |
| 4 hours | 4.00 | |
| 5 hours | 5.00 | (maximum) |

Night Rates (after 6:00 p.m.):

| | |
|---|---|
| Sunday and Monday | 6:00 p.m. - midnight |
| Tuesday and Wednesday | 6:00 p.m. - 1:00 a.m. |
| Thursday | 6:00 p.m. - 2:00 a.m. |
| Friday and Saturday | 6:00 p.m. - 3:00 a.m. |

| | | |
|---|---|---|
| 1 hour | $1.00 | |
| 2 hours | 2.00 | |
| 3 hours up to 24 hours | 3.00 | (maximum) |

| | |
|---|---|
| Combined day and night rate | $8.00 |
| Overnight rate (6:00 p.m. through 10:00 a.m.) | $3.00 |

Monthly Parking: None

Motorcycle Parking: Same as automobile rates.

No changes to the parking rates are being proposed at this time.

5. The legal documents, as approved by both the Parking Authority and the City Attorney, include a draft Invitation For Bid, a draft bid form and a draft lease. The parking garage operation lease would be awarded to the highest responsible and responsive bid based on the percentage of gross receipts (the actual monthly rent paid to the City would be the greater of the minimum or the percentage of gross receipts amount).

Comments

1. The lease document would decrease the minimum required monthly rental payment by $5,000 from $10,000 to $5,000 to help make the operation of the Lombard Garage economically feasible. According to Mr. Phil Chin of the Parking Authority, the combination of low Lombard Garage usage and relatively fixed operating expenses requires that the minimum monthly rent be reduced in order to obtain bids for the operation of the Lombard Garage. Mr. Chin advised the Budget Analyst that the present lessee, Five Star Parking Company, was left with only approximately $2,500 monthly to meet its expenses after paying the $10,000 monthly minimum to the City. As a result, Mr. Chin stated that Five Star is exercising its option to terminate the existing lease.

2. The actual award of a new lease will be subject to subsequent legislation adopted by the Board of Supervisors, approving the highest bidder. The proposed legislation simply approves the lease documents as to form and authorizes the Director of Property to seek competitive bids for the leasing of the Lombard Street Garage.

3. Mr. Kevin Hagerty of the Parking Authority has advised the Budget Analyst that the Parking Authority intends to attach two signs to the Lombard Street Garage, one on each building corner facing Lombard Street. Each sign would contain the name of the Garage and the U.S. Post Office, a Garage tenant. The signs would protrude approximately 3.5 feet from the garage, perpendicular to Lombard Street, with the base of each sign approximately 13 feet above the sidewalk. Each sign would be approximately 16.5 feet in height.

4. Mr. Hagerty has also advised that the signs would be designed, fabricated, and installed under a $20,000 personal services contract. The U.S. Post Office would pay $6,000 of the $20,000. The remaining $14,000 would be funded from Off-Street Parking Funds allocated for construction of the Lombard Street Garage. According to Mr. Hagerty, the signs would be erected approximately 60 days after approval of the design by the Arts Commission.

Recommendation

Approve the proposed ordinance.

Items 3, 4 and 5 - Files 153-90-4.1, 270-90-21.1 and 101-90-16.2

**Department:** Department of Social Services (DSS)

**Item:** Request to release funds placed on reserve by the Finance Committee

| **Amount:** | | Source of Funds |
|---|---|---|
| | $3,338,725 | Red Cross Grant – File 153-90-4.1 |
| | 2,865,000 | Federal Emergency Management Agency (FEMA) – File 153-90-4.1 |
| | 696,000 | Mayor's Earthquake Emergency Relief Fund – File 270-90-21.1 |
| | 455,996 | Homeless Capital Reserve – File 101-90-16.2 |
| | $7,355,721 | Total |

**Description:** The Board of Supervisors previously approved legislation authorizing the appropriation, acceptance, and expenditure of $13,951,075 in grant funds and City funds for the purchase and rehabilitation of the two buildings, located at 525 - 5th Street and at 1001 Polk Street, in which the Multiservice Centers for the homeless are housed. Of the $13,951,075 approved, the Finance Committee reserved funds totalling $7,355,721 (see above) pending the negotiation of the final purchase price for the 1001 Polk Street site.

The Board of Supervisors at its meeting of October 22, 1990, approved a resolution authorizing the acquisition of the 1001 Polk Street property (File 84-90-4).

DSS has provided the following budgetary details on the proposed use of the reserved funds for the Polk Street facility:

| Expenditure Item | Reserved by Finance Committee | DSS Revised Budget | Excess of Revised Budget over amount Reserved by Finance Committee |
|---|---|---|---|
| Purchase of 1001 Polk | $3,651,996 | $3,577,020* | ($74,976) |
| Bldg Rehabilitation | 2,950,000 | 3,214,773 | 264,773 |
| Food | 344,925 | 488,250 | 143,325 |
| Operating Costs | 315,000 | 0 | (315,000) |
| Subtotal Proposed Expenditures 1001 Polk Street | $7,261,921 | $7,280,043 | $18,122 |
| Food for Proposed Family Shelter | 93,800 | 102,200 | 8,400 |
| Total | $7,355,721 | $7,382,243 | $26,522 |

* The amount of $3,577,020 is $34,520 greater than the actual $3,542,500 purchase price negotiated by Real Estate. If the escrow does not close by November 1, 1990 on the 1001 Polk Street site, DSS would have to pay the additional $34,520 as lease costs. If the escrow closes by November 1, 1990, DSS would not have to pay the $34,520 and would allocate the funds for rehabilitation of the building at 1001 Polk Street.

**Comments:**

1. While the DSS's total revised budget for 1001 Polk Street, as shown above, is $26,522 more than the amount the Board of Supervisors approved and reserved, the Department proposes expenditure of Red Cross funds and the Mayor's Earthquake Relief Fund monies on the rehabilitation of 1001 Polk Street site which are greater than the amounts previously reserved (See attachment for a breakdown of the sources of funding). The Department also proposes expenditure of FEMA monies for less than the amount previously reserved, and the Homeless Capital Reserve Fund monies at the same level as previously reserved.

2. Ms. Carla Javits of DSS reports that DSS will receive $3,492,250 in Red Cross funds for the purchase, rehabilitation, and for food for the 1001 Polk Street site and for food for the family shelter, which is $153,525 more than the $3,338,725 previously reported to the Board of Supervisors (File No. 153-90-4). The additional $153,525 would be used to pay for increased building rehabilitation costs at the 1001 Polk Street site and additional food costs at the family shelter.

3. As shown above, in addition to the proposed expenditures for 1001 Polk Street, the Board of Supervisors reserved $93,800 for food at the family shelter. In contrast to

the two Multiservice Centers, which serve single adult men and women, the family shelter will serve homeless families. The Department has allocated $450,000 in its 1990-91 budget for the family shelter and expects to begin operating the family shelter in December of 1990. The shelter would serve 40 persons. DSS has not yet found a location for the proposed family shelter and has not yet determined the estimated lease or purchase costs of this facility. DSS has received $102,200 from the Red Cross for food for the family shelter, an increase of $8,400 from the $93,800 previously accepted from the Red Cross for provision of food at the proposed shelter for homeless families. DSS has requested release of the $93,800 from reserve.

4. DSS has revised its estimate of the amount of the Mayor's Earthquake Emergency Relief Fund monies it needs to purchase and rehabilitate the 1001 Polk Street building. Instead of the $696,000 placed on reserve by the Board of Supervisors, DSS estimates that it will need $1,116,550 for the purchase and rehabilitation of the 1001 Polk Street site, an increase of $420,550. To fund these increased costs, DSS has reallocated surplus funds from the 525 - 5th Street site due to lower than expected rehabilitation costs at the 5th Street site. Because DSS will need the entire amount of the $696,000 currently on reserve to purchase and rehabilitate the Polk Street site, the request to release these funds from reserve is justified.

5. DSS estimates that it will receive FEMA funds in the amount of $2,317,447 for rehabilitation of the 1001 Polk Street site, which is $547,553 less than the $2,865,000 approved and reserved by the Board of Supervisors. However, according to Mr. John Madden of the Controller's Office, the City has not received any of the FEMA funds, and therefore the Controller's Office has not placed a reserve on the amount of $2,865,000. Because these FEMA funds, which the City has not received yet, are not technically on reserve, a request to release the FEMA funds is not required. It should also be noted that in approving the ordinance to accept and expend the FEMA and Red Cross funds, the Board of Supervisors granted authority to DSS to accept all FEMA funds for the rehabilitation of the 1001 Polk Street and 525 - 5th Street sites.

6. DSS did not revise the budgeted amount of $455,996 in Homeless Capital Reserve Fund monies reserved by the Board of Supervisors, and therefore these funds should be released from reserve.

7. Because the amount of Red Cross funds and the Mayor's Earthquake Relief Fund monies reserved are less than what the Department estimates is needed to complete the acquisition and rehabilitation of the 1001 Polk Street site, and because the Department expects to receive less FEMA funding than previously anticipated, the proposed request for release of reserves is justified. The following table summarizes the amounts reserved by the Board of Supervisors and the amounts to be spent on the 1001 Polk Street site:

| Funding Source | Amount Reserved by Board | Reserved Amount Requested for Release by DSS | Requested Amount in Excess of Amount Reserved by Board |
|---|---|---|---|
| Red Cross | $3,338,725 | $3,492,250 | $153,525 |
| FEMA | 2,865,000 | 2,317,447 | (547,553) |
| Mayor's Earthquake Emergency Relief Fund | 696,000 | 1,116,550 | 420,550 |
| Homeless Capital Reserve | 455,996 | 455,996 | 0 |
| Total | $7,355,721 | $7,382,243 | $26,522 |

8. DSS estimates that the building rehabilitation costs of the 1001 Polk Street site, as well as the 525 - 5th Street Site, will be higher than previously anticipated. Because of the uncertainty in the actual cost of rehabilitating the two buildings, DSS expects that its allocation will change for the FEMA funds, Red Cross Grant funds, Mayor's Earthquake Relief Fund monies, and the Homeless Capital Reserve Fund monies which are needed to pay for actual expenditures for building rehabilitation. According to Mr. John Madden of the Controller's Office, such changes would have to be submitted by DSS to the Board of Supervisors for authorization.

**Recommendation:** Approve the request for release of reserves.

**Source of Funds**

| *Expenditure Item* | *FEMA** | *Red Cross* | *Mayor's Earthquake Emergency Relief Fund* | *Homeless Capital Reserve* | *TOTAL* |
|---|---|---|---|---|---|
| 1001 Polk Street | | | | | |
| Purchase | | $2,645,800 | $369,224 | $455,996 | $3,471,020 |
| Lease applied to Purchase | | 106,000 | | | 106,000 |
| Building Rehabilitation | $2,317,447 | 150,000 | 747,326 | | 3,214,773 |
| Building operating costs | | | | | 0 |
| Food | | 488,250 | | | 488,250 |
| Subtotal | $2,317,447 | $3,390,050 | $1,116,550 | $455,996 | $7,280,043 |
| Family Shelter: | | | | | |
| Food | | $102,200 | | | $102,200 |
| Subtotal | 0 | $102,200 | 0 | 0 | $102,200 |
| Grand Total | $2,317,447 | $3,492,250 | $1,116,550 | $455,996 | $7,382,243 |

Item 6 - File 97-90-45

**Department:** Recreation and Park Department

**Item:** Ordinance amending the Administrative Code, by amending Section 16.6-16, to add sixteen new organizations to the membership list of the Recreation and Park Commission.

**Description:** The proposed ordinance would amend Section 16.6-16 of the Administrative Code to add sixteen new organizations to the membership list of the Recreation and Park Commission, as listed below:

| | Annual Membership Fee |
|---|---|
| 1. California Travel Industry Association | $ 100 |
| 2. Captive Breeding Specialist Group of the International Union for Conservation of Nature (IUCN) | 2,000 |
| 3. San Francisco Chamber of Commerce | 300 |
| 4. San Francisco Convention and Visitors Bureau | 350 |
| 5. Golden Gate Industrial Recreation Council (IRC) | 100 |
| 6. Hotel Management Sales Association | 200 |
| 7. International Society of Special Events | 200 |
| 8. Madagascar Fauna Captive Propagation Group | 4,000 |
| 9. Meeting Planners International | 250 |
| 10. National Tour Association | 1,300 |
| 11. Northern California Concierges Association | 100 |
| 12. Northern California Passenger Transportation Association | 100 |
| 13. North California Tour Travel Network Oakland Industrial Recreation Council (IRC) | 100 |
| 14. S.F. Bay Area Society of Association Executives | 250 |
| 15. Travel Industry of America Association | 950 |
| 16. Tri-County Industrial Recreation Council (IRC) | 100 |
| Total | $10,400 |

**Comments:** 1. Ms. Etai Chen, of the Recreation and Park Department, advises that since the proposed legislation was drafted, the Department has decided not to acquire memberships in two of the 16 organizations, the IUCN ($2,000) and the Madagascar Fauna Captive Propagation Group ($4,000). Therefore, the proposed legislation should be amended to delete these two organizations from the proposed membership list. Ms. Chen reports that acquiring

memberships in the remaining 14 organizations, at an annual cost of $4,400, will allow the Recreation and Park Department to expand its promotional and advertising activities in order to enhance usage of the Department's facilities and services. According to Ms. Chen, the Recreation and Park Department's membership in the organizations would allow the Department to have access to each of the organization's members, their publications and to event coordinators.

2. The Recreation and Park Commission is currently authorized by the Administrative Code to maintain memberships in 55 organizations. The proposed ordinance would allow the Commission to establish membership in an additional 14 organizations, bringing the total number of organizations to 69. The additional 14 organizations would increase the Department's additional membership fees by $4,400 or approximately 33 percent from $13,260 to $17,660. Ms. Chen, reports that a total of $17,660 is appropriated in the Department's FY 1990-91 budget to pay the membership fees for these 69 organizations.

3. As noted above, the Board of Supervisors has previously appropriated the $4,400 for the annual membership fees needed for the 14 new memberships. The proposed ordinance would formally identify these new memberships in the Administrative Code.

4. It should also be noted that the Board of Supervisors approved a 71.56 percent reduction in the 1990-91 membership expenditures for all General Fund supported departments. However, Ms. Chen reports that the Recreation and Park Department's membership fees are funded by the Department's Special Recreation and Park Revenue Fund. As such, the Recreation and Park Department reports that the Board of Supervisors approval of a 71.56 percent budgetary reduction in membership fees for the other City departments, financed with General Fund monies, did not apply to the Recreation and Park Department.

5. The San Francisco Convention and Visitors Bureau receives an annual allocation from the City's Hotel Room Tax Fund. For FY 1990-91 the Bureau's allocation is in the amount of $4,933,330. Since the City is providing a substantial subsidy to the Convention and Visitors Bureau, the Budget Analyst believes that the City should not be charged a fee for membership in this organization. Therefore, the Budget Analyst recommends that the proposed legislation be amended to state that "no membership fee" would be paid to the San Francisco Convention and Visitors Bureau.

6. The Budget Analyst has determined that the San Francisco Public Library currently has a membership with the San Francisco Chamber of Commerce. Therefore, if the Board of Supervisors gives approval, the Recreation and Park Department membership would be the second City department to establish an individual departmental membership with the Chamber of Commerce. The Budget Analyst believes that rather than individual departments establishing memberships with the Chamber of Commerce, that it would be more appropriate to establish a City-wide membership, which would provide access to the Chamber of Commerce for all interested City departments. Such membership could be coordinated through a central City department such as the Office of Chief Administrative Officer or the Mayor's Office.

**Recommendations:** 1. Should the Board of Supervisors decide to approve the proposed ordinance, the ordinance should be amended to (1) delete the IUCN and the Madagascar Fauna Captive Propagation Group from the membership list, (2) to state that "no membership fee" would be paid to the San Francisco Convention and Visitors Bureau.

2. Approval of the proposed ordinance, to (1) amend the Administrative Code to add the remaining fourteen new organizations to the membership list of the Recreation and Park Commission and (2) permit individual departmental memberships in the San Francisco Chamber of Commerce, is a policy matter for the Board of Supervisors.

Item 7 - File 97-90-49

**Department:** Department of Public Health (DPH)

**Item:** Ordinance amending Article XIII, Section 10.117-24 of the Administrative Code, relating to the Special Public Health Laboratory Fund.

**Description:** Section 10.117-24(a), provides for the establishment of a Special Public Health Laboratory Fund, for the purpose of receiving fees and gifts collected for the benefit of the Public Health Laboratory. Section 10.117-24(c), currently provides that the monies must be set aside for the purposes established by this Special Fund and that expenditures from this fund must be approved by the Director of Health and the Chief Administrative Officer. The Special Fund is to be used solely for the following purposes:

(1) Purchase of materials for laboratory educational programs (manuals, books, audio tapes, audit visual aids);

(2) Staff development program in support of laboratory activities including travel, tuition and fees; and

(3) Other expenses for laboratory enhancement including equipment, materials and supplies.

The proposed ordinance would amend Section 10.117-24(c) to provide that expenditures from the Special Public Health Laboratory Fund must be approved by the Director of Health and the Health Commission.

**Comments:** 1. The legislative provision, under Section 10.117-24(c), which specifies that expenditures from the Special Public Health Laboratory Fund must be approved by the Director of Health and the Chief Administrative Officer, was drafted prior to the establishment of the Health Commission and the resulting transfer of administrative oversight of DPH from the Office of the Chief Administrative Officer to the Health Commission. The proposed ordinance would amend the legislation to reflect the Health Commission's current responsibility for administrative oversight of DPH.

2. The current balance in the Special Public Health Laboratory Fund is $17,250.

**Recommendation:** Approve the proposed ordinance.

Items 8 and 9 - Files 101-90-20 and 102-90-5

**Department:** Recreation and Park Department (RPD)

**Items:** Supplemental Appropriation Ordinance (File 101-90-20) to fund eight new positions and other operating expenses of the Sharon Arts Studio and RPD swimming pools.

Ordinance (File 102-90-5) to amend the 1990-91 Annual Salary Ordinance to create eight new positions.

**Amount:** $537,000

**Source of Funds:**

| | |
|---|---|
| General Fund Reserves Established in the 1990-91 Budget | |
| Sharon Arts Studio | $200,000 |
| Swimming Pools | 256,000 |
| RPD Revenues (Sharon Arts Studio and Swimming Pool Fees) | 81,000 |
| Total | $537,000 |

**Description:** The proposed ordinance (File 102-90-5) would amend the 1990-91 Annual Salary Ordinance to create eight new positions (actually restore eight positions that were previously in the 1989-90 budget but were not included in the Mayor's 1990-91 budget proposal) as follows:

| Action | Number | Classification | Biweekly Salary Range | Top Step Annual Salary |
|---|---|---|---|---|
| Create | 8 | 3260 Crafts Instructor | $1,042-1,261 | $262,288 |

The proposed Supplemental Appropriation Ordinance (File 101-90-20) would fund these eight new positions and other operating costs of the Sharon Arts Studio and swimming pool operations of the RPD Recreation Division, as follows:

| | Sharon Arts Studio | Swimming Pool Operations | Total |
|---|---|---|---|
| Permanent Salaries - Misc. | $126,906 | - | $126,906 |
| Temporary Salaries | 72,018 | $255,154 | 327,172 |
| Mandatory Fringe Benefits | 42,326 | 26,846 | 69,172 |
| Materials and Supplies | 13,750 | - | 13,750 |
| Total | $255,000 | $282,000 | $537,000 |

The Mayor's budget, for 1990-91, as submitted to the Board of Supervisors, had eliminated funding for the Sharon Arts Studio and for swimming pool operations for one weekday and one-half day of Sundays. The Board of Supervisors restored the funding for these activities by creating two Reserves from savings implemented by the Board in other areas of the 1990-91 budget. The proposed ordinances are necessary to appropriate the Reserves created by the Board of Supervisors into the RPD budget to fund the 1990-91 operations of the Sharon Arts Studio and swimming pools on the same days and hours operated in 1989-90.

**Comment:** Ms. Etai Chin of the RPD reports that in anticipation of restoration of funding for the Sharon Arts Studio and swimming pool 1990-91 budget reductions, these facilities continued to operate at the 1989-90 level in the 1990-91 fiscal year. The proposed supplemental appropriation would fully fund these operations for the full fiscal year 1990-91 at the same level of operations as in 1989-90.

**Recommendation:** Approve the proposed ordinances.

Item 10 - File 100-90-13

**Department:** Department of Public Health

**Item:** Resolution authorizing the adoption of the FY 1990-91 County Health Services Plan and Budget and authorizing the application, acceptance and expenditure of an allocation from the County Health Services Fund of the State Department of Health Services.

**Amount:** $80,254,168

**Source of Funds:** State's County Health Services Fund (AB8, Medically Indigent Services Program (MISP), and California Healthcare for Indigents Program (CHIP)).

**Term of Allocation:** July 1, 1990 through June 30, 1991

**Description:** These funds, which have been allocated to the City since FY 1979-80, are included as revenues in the Department of Public Health's FY 1990-91 budget and, in the case of AB8, match City General Fund support for various public health, inpatient and outpatient programs in the Department, including services provided at San Francisco General and Laguna Honda Hospital.

The FY 1990-91 Multi-Year County Health Services Plan and Budget (FY 90-91 Plan) is the first or base year of a three-year planning cycle. A full plan is required every three years, with plan updates in the following two years. Plan and budget updates are required to be prepared for FY 1991-92 and FY 1992-93.

The FY 1990-91 Multi-Year County Health Services Plan and Budget consists of three parts, which are as follows:

- Part I - Board Certification and Cost Share Summary

  Part I consists of two pages and includes a statement certifying that the FY 90-91 Plan is correct and is based upon the officially adopted County budget for FY 1990-91. Part I also includes a State/Local Cost Share Summary for County Health Services Funds.

- Part II - AB8 Component

  AB8, adopted in FY 1979-80, provides funding to counties in response to health care funding problems created by Proposition 13. Part II includes an overview of the Health Department's organization and services and provides a detailed description of the County's public health services and inpatient/outpatient services. Part II also includes AB8 budget schedules that display the County's budgeted health services expenditures, revenues, and net costs.

- Part III Indigent Health Care

  Part III consists of narratives that explain the services provided by the Medically Indigent Services Program (MISP) and the California Health Care Indigent Program (CHIP) and includes budget schedules for indigent health care.

  MISP was created in 1983 when the Medically Indigent Adult (MIA) category was eliminated from the Medi-Cal program and responsibility for medically indigent individuals was transferred to counties. The amount of medically indigent services funds available each year depends on the amount appropriated by the State Legislature and approved by the Governor.

  CHIP was established by Assembly Bill 75 in 1989 for the purpose of expanding health services to the indigent. CHIP provides funds from the Hospitals, Physicians, and Unallocated accounts of the Cigarette and Tobacco Products Surtax Fund created by Proposition 99. Funds from the various accounts have different allowable uses and are required to be accounted for separately.

The Department's overall program priorities for FY 1990-91 are not required to be included in the FY 1990-91 Plan. However, the Department's FY 1989-90 program priorities have been modified and carried forward to give direction to Departmental activities. The FY 1990-91 overall program priorities are listed below.

- Cost Effective Quality of Care: To assure the provision of cost effective, quality health care services in order to best serve clients and community.

- Access: To ensure access to health care services, especially for the indigent population.

- Accreditation and Licensure: To maintain compliance with State and Federal accreditation and licensure standards and requirements.

- Legally Mandated Services: To maintain compliance with legislative and judicial consent decree requirements mandated for health and health related services and reporting.

- Revenue Generation: To optimize revenue operating activities from State, Federal, and other third party payor sources in all components of the Department.

- Homelessness: To enhance health services to the homeless population in San Francisco using a multi-services model of health and social services.

- Comprehensive Health Care Services: Within budgetary limitations, to ensure the provision of a comprehensive range of health care services to residents of San Francisco with special consideration of at-risk and vulnerable groups in all segments of the community including:

  Persons with AIDS/ARC/HIV infection and those at-risk
  Children
  Chronically ill persons
  Elderly people
  Homeless persons
  Minority and immigrant populations
  Severely mentally ill persons
  Women

- Primary Care: To continue to build a primary care network inclusive of Department and community-based sites.

- Community-based Services: To continue development of community-based services to assure appropriate service levels within the continuum of care.

- Preventive Services: To enhance the prevention efforts of the Department, particularly in areas of at-risk and vulnerable groups.

  To prevent the transmission of HIV infection, with particular focus on the intravenous drug-using community.

  To prevent the spread of sexually transmitted diseases, specifically targeting teenage males.

  To reduce the prevalence of tuberculosis in San Francisco to below the State average.

  To decrease infant mortality rates and the prevalence of low birth weight infants, especially within the African American population.

- Emergency Medical Services: To improve pre-hospital emergency services.

- Substance Abuse:

  To continue to address the issue of crack cocaine as a public health epidemic and re-allocate resources accordingly.

  To enhance the residential program for pregnant women addicted to crack cocaine.

  To develop and enhance substance abuse prevention, treatment and recovery services, utilizing a public health and community development approach.

- Private Sector and Interagency Collaboration and Coordination: To continue to expand DPH collaboration and coordination with other City Departments, the private sector, community-based organizations and volunteer groups.

- Administrative Support: To maintain administrative support levels consistent with service and revenue generating requirements.

**Budget:**

The proposed 1990-91 County Health Services Plan and Budget includes $80,254,168 of requested State funds as follows:

| County Health Services Fund | Amount |
|---|---|
| Per Capita Grant (AB8) | $3,648,757 |
| State Share Amount (AB8) | 37,087,704 |
| Subtotal | $40,736,461 |
| Medically Indigent Services (MISP) | 22,493,808 |
| California Healthcare Indigent Program (CHIP) | 17,023,899 |
| Total | $80,254,168 |

**Match:**

Under the AB8 funding category, the State/County cost share amount is the estimated Net County Cost Standard ($77,824,164) minus the Per Capita Grant ($3,648,757) or $74,175,407. The City's required share amount is 50 percent of the $74,175,407 or $37,087,704. The City will exceed the required 50 percent match by $74,214,512 for a total City funding of $111,302,216 in order to provide the necessary services as approved by the Mayor and the Board of Supervisors in the DPH FY 1990-91 budget.

**Comments:**

1. DPH's revenue projection for State funding under AB8 was $40,752,778. The actual amount to be allocated by the State for the AB8 funding is $40,736,461, a difference of $16,317. According to Ms. Cynthia Bautista of the Health Department's Fiscal Office, the Department's FY 1990-91 budget, as approved by the Board of Supervisors, has been adjusted to reflect that decrease.

2. DPH's revenue projection of State funding under MISP was $25,866,569. The actual amount to be allocated by the State is $22,493,808, a difference of $3,372,761. According to Ms. Bautista, the Department's FY 1990-91 budget, as approved by the Board of Supervisors, has also been adjusted to reflect that decrease.

3. DPH's revenue projection of State funding under CHIP was $17,023,899, which is identical to the actual amount to be allocated by the State.

4. The County Health Services Plan and Budget must be approved by the Board of Supervisors to receive these AB8 MISP and CHIP State Funds. As indicated above, the County Health Services Plan and Budget is now consistent with the 1990-91 budget approved by the Board of Supervisors.

**Recommendation:** Approve the proposed resolution.

Memo to Finance Committee
October 24, 1990

Items 11 and 12 - Files 165-89-3 and 64-90-8

1. File 165-89-3 and File 64-90-8 are hearings to consider the Budget Analyst's report on City lease agreements. This report pertains to both files.

2. The attached report was compiled using lease information, completed through August of 1990, provided by the Department of Real Estate, the Airports Commission, the Public Utilities Commission, the Department of Recreation and Park, the Port, the Housing Authority and the Redevelopment Agency.

3. The report contains lease information for those leases to which the City is party either as lessee or as lessor. The City is the lessee in 165 leases, resulting in $11,317,759 of annual expenditures and is the lessor in 502 leases resulting in $107,106,384 of annual revenues.

| Department | City as Lessee | | City as Lessor | |
|---|---|---|---|---|
| | # of Leases | Annual Cost to the City | # of Leases | Annual Revenues to the City |
| Real Estate | 162 | $10,865,623 | 109 | $13,743,880 |
| Airports Commission | 0 | 0 | 72 | 62,259,869 |
| Public Utilities Commission | 0 | 0 | 91 | 3,662,364 |
| Rec/Park | 0 | 0 | 55 | 11,519,691 |
| Port of San Francisco | 0 | 0 | 140 | 13,416,533 |
| Redevelopment Agency | 3 | 452,136 | 35 | 2,504,047 |
| Total | 165 | $11,317,759 | 502 | $107,106,384 |

The attached report also contains listings of properties formally declared surplus, dormant properties, and reported subleases of City property.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Carol Wilkins
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

# LEASE REPORT

## TABLE OF CONTENTS


| Department | Page |
|---|---|
| Real Estate - City as Lessee | 1 |
| Real Estate - City as Lessor | 7 |
| Airports Commission | 11 |
| Public Utilities Commission - Agricultural Leases | 13 |
| Public Utilities Commission - Non-Agricultural Leases | 15 |
| Recreation and Park | 18 |
| Port of San Francisco | 21 |
| Redevelopment Agency - City as Lessee | 26 |
| Redevelopment Agency - City as Lessor | 27 |
| Surplus and Dormant Property | 29 |
| Sub-leases | 31 |

Attachment

## DEPARTMENT OF REAL ESTATE

### City as Lessee

| Location | Lessee | Lessor | Use | Annual Rental |
|---|---|---|---|---|
| 501 Army St. | Agr./Wts. & Meas. | Port of S.F. | Offices | $ 18,636 |
| Pier 80 | Agr./Wts. & Meas. | CA Stevedore. & Ball. Co. | Truck Storage | 0 |
| S.F. Airport, Plots 11 & 11A | Airport | Northwest Airlines | Parking | 308,543 |
| 534 Walnut, San Bruno | Airport | | Noise Monitoring Equipment | 600 |
| 2260 Rollingwood, San Bruno | Airport | | Noise Monitoring Equipment | 120 |
| 408 Parkway, So. San Francisco | Airport | | Noise Monitoring Equipment | 600 |
| 204 Pinehurst, So. San Francisco | Airport | | Noise Monitoring Equipment | 120 |
| 714 Easton, San Bruno | Airport | | Noise Monitoring Equipment | 960 |
| 65 Capay Circle, So. S.F. | Airport | | Noise Monitoring Equipment | 120 |
| 461 Kings Rd., Brisbane | Airport | | Noise Monitoring Equipment | 600 |
| 203 Aviador, Millbrae | Airport | | Noise Monitoring Equipment | 120 |
| 891 Hillcrest, Millbrae | Airport | | Noise Monitoring Equipment | 120 |
| 1620 Granada, Burlingame | Airport | | Noise Monitoring Equipment | 120 |
| 1804 Devereaux, Burlingame | Airport | | Noise Monitoring Equipment | 120 |
| 1601 Beach Park, Foster City | Airport | | Noise Monitoring Equipment | 120 |
| 560 Pullman, Hillsborough | Airport | | Noise Monitoring Equipment | 12 |
| 825 Parkway, So. S.F. | Airport | | Noise Monitoring Equipment | 120 |
| 460 Carlton, So. S.F. | Airport | | Noise Monitoring Equipment | 120 |
| 3700 Callan, So. S.F. | Airport | | Noise Monitoring Equipment | 120 |
| 753 Del Monte, So. S.F. | Airport | | Noise Monitoring Equipment | 120 |
| 75 Margate, Daly City | Airport | | Noise Monitoring Equipment | 120 |
| 635 Hickey, Pacifica | Airport | | Noise Monitoring Equipment | 120 |
| Bellevue/Pope, Daly City | Airport | | Noise Monitoring Equipment | 120 |
| 201 Santa Dominga, San Bruno | Airport | | Noise Monitoring Equipment | 120 |
| San Bruno Mountain | Airport | Telecommunications, Inc. | Noise Monitoring Equipment | 3,372 |
| 25 Van Ness Avenue | Art Commission | Bay West Investors | Offices | 84,870 |

| Location | Lessee | Lessor | Use | Annual Rental |
|---|---|---|---|---|
| 25 Van Ness Avenue | Art Commission | Bay West Investors | Offices | $ 20,658 |
| Park Merced Shopping Center | CAO | Park Merced | Recycling Center | 1 |
| Seawall Lot 344 | CAO | Port of S.F. | Recycling Center | 11,616 |
| 1390 Market St. | City Attorney | Cal Fox, Inc. | Offices | 218,952 |
| 1390 Market, Mezzanine | City Attorney | Cal Fox, Inc. | Offices | 178,632 |
| 44 Gough | Civil Service | Taldan Investment | Offices | 371,256 |
| 25 Van Ness Avenue | Comm. on Aging | Bay West Investors | Offices | 67,380 |
| 1212 Market St., portion of 1st Floor | Controller | Graham Invest. | Offices | 20,796 |
| 160 South Van Ness Ave. | Controller | Harlee, Inc. | Offices | 119,700 |
| 25 Van Ness, 5th Floor | Controller | Bay West Investors | ISD Offices | 39,888 |
| 1155 Market St., 6th & 9th floor | Controller | Skyline Holdings | Offices | 168,792 |
| Tahoe City, California | County Clerk | Heart of CA Corp. | Storage of Microfilm | 960 |
| 1095 Market St., Rooms 201 & 202 | Delinquency Prev. | Grant Bldg. 6 | Offices | 6,600 |
| 291 - 10th St. - Entire Building | District Attorney | 10th St. Investors | Family Support Bureau | 559,680 |
| 732 Brannan Street | District Attorney | Wolfe, et. al. | Consumer Fraud and Special Prosecution Divisions | 100,008 |
| 920 Sacramento St. | District Attorney | Cameron House | Desk Space | 0 |
| 1292 Potrero Avenue | District Attorney | Episcocal Bishop of CA | Office | 0 |
| BofA Building, 555 California/ Roof Top Space | Dept. of Electricity | CA St. Partners | Base Relay Radio Station for SFPD | 6,696 |
| Presbyterian Hospital (now Pacific Presbyterian) | Dept. of Electricity | Pacific Medical Center | Emergency Communications Equipment | 12 |
| 100 Van Ness Ave. | Dept. of Electricity | CSAA | Emergency Communication Equipment (One antenna) | 12 |
| 100 Font Blvd. | Dept. of Electricity | Park Merced Corp. | Public Safety Radio Communications Equipment | 12 |
| Cow Palace | Dept. of Electricity | State of CA | Communications Equipment | 12 |
| 1360 Mission St. | Health Dept. | Vilo Properties | Employee Assistance Prog. | 31,332 |
| 300 Bennington, First Floor | Health Dept. | Fogarty | Health Center | 6,000 |
| 3901 & 3905 Mission St./ 200, 226 College Ave. | Health Dept. | Diodati | Geriatric Clinic | 38,878 |
| 3911 Mission St. | Health Dept. | Giovacchino & Diodati | Mental Health Center | 18,128 |
| 1548 Stockton St. | Health Dept. | Choi | N.E. Mental Health Outpatient Clinic | 89,599 |
| 1182 Market, Rm,. 205 | Health Dept. | Milton Meyer & Co. | Admin. Offices | 5,834 |
| 1182 Market S., Rm., 207 & 208 | Health Dept. | Milton Meyer & Co. | Admin. Offices | 6,497 |
| 1182 Market St., Suite 204 | Health Dept. | Milton Meyer & Co. | Eldercare Program | 23,160 |

| Location | Lessee | Lessor | Use | Annual Rental |
|---|---|---|---|---|
| 1182 Market St., Rooms 411 & 412 | Health Dept. | Milton Meyer & Co. | Geriatric Services | $ 5,040 |
| 1182 Market St., Rm. 201 | Health Dept. | Milton Meyer & Co. | Central City Sr. Unit | 2,520 |
| 1182 Market St., Suite 320 | Health Dept. | Milton Meyer & Co. | Sr. Citizens Info. & Ref. | 21,360 |
| 759 So. Van Ness | Health Dept. | AIM Development Corp. | Children's Outpatient | 58,899 |
| 444 Sixth St. | Health Dept. | Bramral Co. | Substance Abuse | 23,202 |
| 2335-2339 Ocean Avenue | Health Dept. | Pelton | ingleside Mental Health | 34,227 |
| 10 - 29th St., 2nd Floor | Health Dept. | Maisels | Bayview Mental Health | 14,801 |
| 755-761 So. Van Ness Ave., Ground Floor | Health Dept. | AIM Development Corp. | Mission Mental Health | 58,899 |
| 755-761 So. Van Ness, 2nd Floor | Health Dept. | AIM Development Corp. | Clinic | 57,129 |
| 240 Shotwell St. | Health Dept. | Mission Area Health Assoc | Mission Nelghborhood Health Center | 31,884 |
| 2001 Van Ness Ave., 3rd Floor | Health Dept. | Astorian/Kaliski | Center for Special Problems | 252,546 |
| 615 Grant Ave., 2nd Floor | Health Dept. | Leung | Mental Health Clinic | 44,635 |
| 615 Grant Avenue, 3rd Floor | Health Dept. | Leung | Chinatown After-Care Center | 44,123 |
| 615 Grant Ave., 4th Floor & portion of 3rd Floor | Health Dept. | Leung | Mental Health Clinic | 44,414 |
| 615 Grant Ave., 5th Floor | Health Dept. | Sincialr Loule, et. al. | Chinatown Child Dev. Center | 59,040 |
| 298 Monterey Blvd. | Health Dept. | Powell | Mission Mental Health | 28,417 |
| 4190 Mission St., Ground Floor | Health Dept. | Matulich Investment | S.E. Outpatient Mental Health | 33,610 |
| 471 Jessie St., 2nd & 3rd Floors | Health Dept. | Susan Moxon | Mental Health Center | 41,868 |
| 471 Jessie St., Ground Floor | Health Dept. | Susan Moxon | Sub-Payee Program | 24,588 |
| 111 Potrero Ave. | Health Dept. | 111 Potrero Partnership | Mental Health Clinic | 60,513 |
| 55 Jones St., 3 Basement Rooms | Health Dept. | St. Anthony Clinic | Tuberculosis Clinic | 1,020 |
| 1380 Howard St., Entire 2nd through 5th Floors | Health Dept. | Robert and Vera Cort | Administrative Offices Community Mental Health, Substance Abuse Environmental Inspection Division & Computer Operations Ctr. | 710,177 |
| 25 Van Ness Ave., Portions of 5th and 6th Floors | Health Dept. | Bay West Investors | Administrative, Research and Surveillance offices for the Department of Public Health's AIDS Program | 264,927 |
| 528 Jackson St. | Health Dept. | Metropolitan Parking | Parking | 2,400 |
| 1182 Market (Room 209) | Health Dept. | Milton Meyer | Sr. Citizen Services | 2,820 |
| 3126 - 22nd St. | Health Dept. | St. John's Church | Baby Clinic | 2,200 |
| 1372 Mission St., 1st Floor | Health Dept. | Vilo Properties | AIDS Counseling | 22,680 |
| 1212 Market St., Lower Arcade, Suite D | Health Svc. Syst. | Graham Investment | Storage space | 3,036 |

| Location | Lessee | Lessor | Use | Annual Rental |
|---|---|---|---|---|
| 1155 Market St., 3rd Floor | Health Svc. Syst. | Continental Savings | Offices | $ 103,176 |
| 19th & Lexington - Portion Ground Flr. | Hetch Hetchy | PG&E | DC Conversion Facility | 11,952 |
| 222 Leidesdorff Street, Portion Ground Floor | Hetch Hetchy | PG&E | DC Conversion Facility | 10,260 |
| 58 - 8th Street | Hetch Hetchy | The Parking Place | Parking - Bureau of Light, Heat & Power | 2,340 |
| 1095 Market St., 5th Floor | Human Rights | 1095 Market St. Assoc. | Offices | |
| Portion of 4th Floor | | | | 74,880 |
| 45 Leland Avenue | Library | Chau | Visitacion Valley Branch | 17,964 |
| 2434 San Bruno Ave. | Library | Gill, et. a. | Portola Branch | 11,904 |
| 653 Chenery Street | Library | Tietz | Glen Park Branch | 14,040 |
| 387 Ashton Ave. | Library | Soldavini | Ingleside Branch | 6,300 |
| 111 Broad Street | Library | Stratigos Real Properties | Ocean View Branch | 7,056 |
| 701 Frederick Street | Mayor's Office of Housing | SFUSD | Low and Moderate Housing Office | 0 |
| 10 UN Plaza Suites 600 & 480 | MOCD and MOH | Home Savings | Office Space | 130,956 |
| 3000-3rd Street - Entire Block | Muni | Avis Rent-a-Car | Bus Maintenance Facility | 137,220 |
| 23rd & Illinois Sts. | Muni | Harrigan Weidenmuller Co. | Warehouse and Parking | 248,772 |
| BofA Building, 555 California St./ Roof Top Space | Muni | 555 CA St. Assoc. | Antenna/transmitter for Muni Voice Communication | 6,696 |
| Bryant & Division Sts. | Muni | State of CA | Storage of Trolley Poles | 6,900 |
| 1399 Marin St. | Muni | Port of S.F. | Warehouse | 17,308 |
| 5200 Geary St., 3rd Floor and Roof | Parking Authority | Merrill Reese | Parking - 96 Stalls | 11,586 |
| Laguna Honda School Yard - 1350 - 7th Ave. | Parking Authority | SFUSD | Parking | 9,985 |
| Lombard/Fillmore Streets | Parking Authority | SFUSD | Off-street parking | 127,610 |
| 6th & Ahern Streets | Police Dept. | State of CA | Parking, Emergency Vehicles | 20,844 |
| 450 - 7th Street | Police Dept. | General Services Admin. | Parking, Emergency Vehicles | 47,472 |
| Pier 70 | Police Dept. | Port of S.F. | Tow Car Storage/Auto Dismantling Center | 481,539 |
| 1049 Market St. | Police Dept. | 1049 Market St. Assoc. | Senior Escort Program | 30,780 |
| 1380 Phelps St. | Police Dept | DPW - Clean Water. | Senior Escort Program | 3,672 |
| 948 Pacific Avenue | Police Dept. | Louie | Senior Escort Program | 10,800 |
| 1240 Fillmore St. | Police Dept. | Royal Ada Arms | Senior Escort Program | 6,840 |
| Sutro Tower | Police Dept. | Sutro Tower, Inc. | Radio Telecommunications | 6,744 |
| 1815 Egbert St. | Police Dept. | S.F. Housing Authority | Offices | 0 |
| 1475 Mission St. | Police Dept. | Lowenberg Corp. | Garage/Tow-Car Operation | 359,810 |

| Location | Lessee | Lessor | Use | Annual Rental |
|---|---|---|---|---|
| Hunters Point Navy Annex, Bldg. 128 | Police Dept. | U. S. Navy | Confiscated Auto Storage | $ 12,000 |
| 319 Clementina | Police Dept. | TODCO, Inc. | Sr. Escort | 1,800 |
| 1155 North Gertrude Street, Stockton, CA | Port | Stockton Terminal Corp. | Annex to S.F. Port Facilities | 1 |
| 25 Van Ness Ave., Portion of 1st and 2nd Floor | Pub. Admin/Guard | Bay West Investors | Offices | 95,076 |
| 25 Van Ness Ave., Suite 310 | Pub. Admin/Guard | Bay West Investors | Offices | 18,696 |
| 1155 Market Street | PUC | Continental Savings | U.E.B./Hetch Hetchy Offices | 665,368 |
| 1155 Market Street | PUC | Continental Savings | Personnel Training Offices | 212,484 |
| 100 McAllister St. | PUC | Hastings College | Offices | 20,676 |
| 414 Mason St., Rooms 201 and 501 | PUC | Native Sons Bldg. | B.M.I.S. Offices | 72,948 |
| 414 Mason St., Room 502 | PUC | Native Sons Bldg. | B.M.I.S. Offices | 28,080 |
| 1155 Market, 1st Floor | PUC | Skyline Holdings | UEB Offices | 46,500 |
| 100 McAllister | PUC | Hastings College | Offices | 24,000 |
| 555 - 7th St. | Public | Defender Hamrol | Offices for Public Defender, County Parole, Office of Citizens Complaints, and Sheriff's Training Unit | 706,392 |
| 1975 and 1999 Bryant St. | DPW | Keeney | Traffic Sign Warehouse and Shop | 98,460 |
| Army & DeHaro Sts. | DPW | PG&E | Storage and equipment and road materials | 39,600 |
| Tahoe City, California | DPW | Heart of Calif. Corp. | Storage of Microfilm | 1,200 |
| Broadway and Embarcadero | DPW | Port of S.F. | City sidewalk purposes | 0 |
| 1170 Market, 7th Floor | DPW | PG&E | Offices | 65,796 |
| 1550 Evans St. | DPW | Morgan Equipment Co. | Cleanwater Offices | 403,830 |
| 25 Van Ness, #400 | Real Estate | Bay West Investors | Offices | 64,488 |
| Tahoe City, California | Recorder | Heart of Calif. Corp. | Storage of Microfilm | 4,650 |
| E. Selby between Quesada & Palou Sts., Block 5331, Lot 56 | Rec. & Park | State of CA | Mini Park | 25 |
| Presidio | Rec. & Park | U.S. Army | Parking for Palace of Fine Arts (used jointly with Army) | 0 |
| Valencia St. between 13th & 14th Sts. | Rec. & Park | Levi Strauss | Playground | 0 |
| SE Tocaloma & Lathrop Avenues | Rec. & Park | Sunset Scavengers | Playground | 0 |
| SW Palou & Phelps Sts., Block 5329, Lot 1 | Rec. & Park | Southern Pacific | Mini Park | 1 |
| 133 Golden Gate Avenue | Rec. & Park | St. Boniface Neigh. Cntr. Inc. | Tenderloin Outreach Program | 28,176 |

| Location | Lessee | Lessor | Use | Annual Rental |
|---|---|---|---|---|
| 705 Natoma St. | Rec. & Park | Canon Kip | Recreation Program for School Age Youth | $ 1 |
| 195 Kiska Road | Rec. & Park | S.F. Housing Authority | Recreation Center | 1 |
| 25 Van Ness Ave., Suite 320 | Rent Board | Bay West Investors | Offices | 91,313 |
| 50 - 8th Street | Retirement Syst. | The Parking Place | Parking | 5,460 |
| 1155 Market St., 2nd Floor | Retirement Syst. | Continental Savings | Offices | 188,688 |
| 1212 Market , basement | Retirement Syst. | Graham Invest. | Storage | 10,272 |
| 1155 Market (3rd Floor) | Retirement Syst. | Skyline Holdings | Offices | 100,284 |
| 444 - 6th St.. (Half of Bldg.) | Sheriff's Dept. | Bramral Co. | Prisoner Services | 23,202 |
| 505 - 7th St. | Sheriff's Dept. | Rabin | Training Unit | 6,000 |
| 190 - 10th St. | Sheriff's Dept. | Pub. Storage Inv. 12 | Storage Services Center | 3,012 |
| Block 3513, Lot 74, between Valencia & Stevenson Sts. near Duboce St. | Social Services | State of CA | Off-Street Parking | 22,596 |
| 13th St. & So. Van Ness Ave, Block 3531, Portion Lot 5 | Social Services | State of CA | Off-Street Parking | 19,200 |
| 1625 Van Ness Ave. | Social Services | WHERCO, Inc. | Offices | 240,036 |
| 1440 Harrison St. (Harrison School) | Social Services | Eden & Eden | Offices, Food Stamps | 932,040 |
| 25 14th Street | Superior Court | Youth for Service | Youth Service Center | 16,446 |
| 44 Page Street | Superior Court | John Filipello | Storage | 3,348 |
| 25 Van Ness Ave, 2nd Floor | Tax Collector | Bay West Investors | Offices (Business Tax Section) | 97,416 |
| 25 Van Ness, #410, 8th Floor | Traffic Comm. | Bay West Investors | Offices | 73,500 |
| 2815 Diamond | Traffic Comm. | John Jweinat | Parking Lot | 3,600 |
| Pier 33 - Portion | Water Dept. | Port of S.F. | Operations area and workshop for Water Department Inspectors | 9,576 |
| Monument Ridge | Water Dept. | Motorola, Inc. | Antenna Site | 1,800 |
| Total | | | | $10,865,623 |

Attachment

## DEPARTMENT OF REAL ESTATE

### City as Lessor

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| 398 Quint St. | All Auto Dismantlers | Auto Wreckers | $ 40,800 |
| Polk/Bush Sts. | All Right Parking | Parking Lot | 24,000 |
| Performing Arts Garage | Allen & Jane Kimball | Restaurant | 35,280 |
| Valencia/Stevenson Sts. | Annunciation Greek Ortho. Cathedral | Parking Lot | 1,200 |
| Portola Dr./Woodside Ave. | B.P. Oil Co. | Gas Station | 27,000 |
| Arlington/Bosworth | BART | Parking Lot | 0 |
| 5 Napoleon St. | Bayside Auto & Truck Sales | Storage | 5,220 |
| Farmer's Market | Bernal Recycling Center | Collect recyclable items | 12 |
| 1050 McAllister Street | Booker T. Washington Community Service Center | Community Center | 12 |
| Moscone Garage | Budget Rent-A-Car | Car rental | 24,984 |
| 1030 Oakdale Ave. | CA Assoc. for Health Ed., Employment and Dignity, Inc. (CAHEED) | Child Care Center | 1 |
| 18th/Indiana Streets | Ceiling Systems Supply | Storage | 3,360 |
| City Hall/Recorder's Office, Rm. 167 | Chicago Title Co. | Desk space | 1,140 |
| Marshall Square | City Parking Co. | Parking lot | 108,000 |
| City Hall, Recorder's Office, Rm. 167 | Civic Center Holding Co. | Desk Space | 3,000 |
| Civic Center Plaza | Civic Plaza Parking Corp. | Parking facility | 777,000 |
| City Hall/Recorder's Office, Rm. 167 | Commonwealth Title Co. | Desk space | 1,140 |
| City Hall/Recorder's Office, Rm. 167 | Continental Land Title Co. | Desk space | 780 |
| 1150 Phelps Street | Decorative Plant Service | Greenhouse | 110,400 |
| 5th/Mission Sts. | Downtown Parking Corp. | Parking facility | 593,000 |
| San Mateo Co. Hidden Valley Ranch | Eclectic Comm. Inc. | Training Facility | 96,000 |
| 123 O'Farrell St. | Ellis/O'Farrell Parking Corp. | Parking Garage | 824,000 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Grove St., Performing Arts Center Garage | Five Star Parking | Parking Facility | $ 550,000 |
| 1800 Oakdale Ave. | Far West Lab | Child Care Facility | 12,000 |
| City Hall/Recorder's Office, Rm. 167 | Fidelity National Title Co. | Desk space | 780 |
| City hall, Recorder's Office, Rm. 167 | First American Title Co. | Desk Space | 1,980 |
| 255 3rd St./Moscone Garage | Five Star Parking | Parking Facility | 579,000 |
| Lombard St. - Garage | Five Star Parking | Parking Facility | 120,000 |
| Moccasin, CA | Robert Fleming | Grocery Store | 2,760 |
| City Hall/Recorder's Office, Rm. 167 | Founders Title Co. | Desk space | 2,280 |
| Army St. between 3rd St. & Bayshore Blvd. | Gannett Advertising | Billboards | 1,000 |
| Polk/Bush | Gannett Advertising | Billboards | 10,000 |
| S.F. General Hosp., Bldg. 40 | J. David Gladstone Foundation | Health Purposes | 12 |
| 1399 Marin St. | Glesby Wholesale | Warehouse | 54,000 |
| 7th & Harrison | Golden Gate Parking Co. | Parking Garage | 168,000 |
| Polk/McAllister Sts. | Golden Gate Parking Co. | Parking Garage | 108,000 |
| Golden Gateway, Washington & Battery Sts. | Golden Gate Parking Co. | Parking Garage | 2,280,000 |
| St. Mary's Square Garage | Charles Hao | Mail Box Rentals | 59,100 |
| Twin Peaks Christmas Tree Point | Housing Authority of S.F. | Radio Station | 12 |
| Moscone Garage Comm. Space #1 | Thomas Lehki | Bon Jour Cafe | 3,996 |
| Moscone Garage, Comm. Space #2 | Martin Lu | Restaurant/Sushi Bar | 6,300 |
| Portion of Channel Street | Macor, Inc. | Storage, parking | 125,028 |
| Hall of Justice, 850 Bryant St. | Meads Cafeteria | Cafeteria | 67,032 |
| St. Mary's Garage - 433 Kearney | Metropolitan Parking Corp. | Parking Garage | 896,431 |
| California/Pine Streets | Metropolitan Parking Corp. | Parking facility | 720,000 |
| Vallejo Street Garage, 766 Vallejo St. | Metropolitan Parking Corporation | Parking facility | 360,000 |
| 1415 Scott St. | Midtown Park Apartments Corp. | Apartments | 0 |
| 350 O'Shaughnessy | Miraloma Park Improvement Assoc. | Parking | 1 |
| 1300 4th Street | Missionaries of Charity | Kitchen | 1 |
| 1790 Evans Avenue | M & M Auto Wreckers | Auto Wreckers | 15,000 |
| Portsmouth Square | North Center Parking Corp. | Parking Facility | 1,118,000 |
| Modesto, Stanislaus County, CA | Michæl O'Brien | Parking | 3,000 |
| Fresno County, Fuhrman Bequest | Oil Well Service Co. | Field Office and Grazing | 2,760 |
| Treat Avenue bet. 18th & 19th. St. | P. G. & E. | Parking storage | 39,000 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| 701 Frederick St. | Pickle Family Circus | Practicing Facility, Offices | $ 1 |
| Mason & Broadway | Pineview Housing Corp. | Housing | 1 |
| 701 Frederick St. | Poly High | Housing | 0 |
| Kern County, Fuhrman Bequest | Herb Queen | Grazing | 1,320 |
| City Hall/Recorder's Office, Rm. 167 | San Francisco Banner | Desk Space | 720 |
| 1200 Phelps | S.F. Comm. College District | Class Rooms | 150,334 |
| 255 3rd St. Moscone Garage | S.F. Convention Facilities | Storage | 3,000 |
| Hallidie Plaza | S.F. Convention & Visitors Bureau | Visitors Bureau | 1 |
| Toland and Jerrold | S.F. Market Corporation | Produce Market | 0 |
| S.E. Community Center, 1400 Phelps | S.F. Police Dept. | Office - Sr. Escort | 3,672 |
| Twin Peaks, Christmas Tree Pt. | S.F.U.S.D. | Radio Equipment | 12 |
| 1660 Geary Blvd., Japan Center | S. F. Western Addition Parking | Parking Facility | 451,000 |
| City of Modesto, Parcel #675 | Shadow Brook Properties | Landscape | 3,000 |
| Kern County, Fuhrman Bequest | Shell California Production Inc. | Oil & Gas | 342,000 |
| San Joaquin County A.P. Nos. 251-160-6 & 7 | State of CA | State Park | 3,600 |
| Camp Mather | Strawberry Bluegrass Festival | Residential Cottage | 750 |
| 35 Onondaga Avenue | St. Mary's Hospital | Health Care | 1 |
| Moccasin Creek, Tuolumne County | State of California | Fish Hatchery | 0 |
| Palo Alto Ave. | State of California | Communications site | 2,075 |
| City hall, Recorder's Office, Rm. 167 | Stewart Title Co. | Desk Space | 1,500 |
| Moscone Garage, Commercial Space #2 | T.A. Fruits & Vegetable | Fruit Stand | 20,616 |
| Portola/O'Shaughnessy, | Taldan Investment Co. | Landscaping | 500 |
| Bakersfield, Kern County, CA | Terra Oil Co. | Oil and Gas | 600 |
| City Hall/Recorder's Office, Rm. 167 | The Recorder | Desk space | 1,140 |
| City Hall/Recorder's Office, Rm. 167 | The Recorder | Desk space | 720 |
| City Hall/Recorder's Office, Rm. 167 | Ticor Title Insurance & Trust Co. | Desk space | 1,800 |
| 71 Stevenson St. | Tishman Stevenson | Plaza | 4,800 |
| City Hall/Recorder's Office, Rm. 167 | Title Court Service | Desk space | 1,080 |
| City Hall/Recorder's Office, Rm. 167 | Transamerica Title Insurance Co. | Desk space | 780 |
| City Hall/Recorder's Office, Rm. 167 | TRW Information Services | Desk space | 1,140 |
| Twin Peaks | U.S. Government (Customs) | Communications | 2,400 |
| Twin Peaks | U.S. Government (AT & F) | Communications | 2,400 |
| Twin Peaks | U.S. Gov't (FBI) | Communications | 4,800 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Lombard Garage | U.S. Post Office | Post Office | $ 334,632 |
| Napoleon St. | U.S. Post Office | Post Office parking | 5,400 |
| City Hall, Rm. 165, S.F. | U.S. Post Office | Post Office | 1 |
| Moccasin, Tuolumne Co. | U.S. Post Office | Post Office | 1,320 |
| S.F. General Hospital Bldg. 20 - Wards 21-23 + basement | University of California | U.C. Dental Clinic | 12 |
| S.F. General Hospital, Bldg. 40, Ward 41 | University of California | Liver Center | 12 |
| S.F. General Hospital, Bldg. 30, Ward 33 | University of California | Arthritis Center | 12 |
| S.F. General Hospital, Bldg. 30, Ward 34 | University of California | Infectious Diseases | 17,532 |
| S.F. General Hospital, Bldg. 1, Flr. 1 | University of California | Gallo Research Center | 57,660 |
| S.F. General Hospital, Bldg. 5, Rm. 4M50 & 4M52 | University of California | Ernest Gallo Clinic | 1,642 |
| S.F. General Hospital, Bldg. 40, Ward 41 | University of California | Nutrition Center | 18,216 |
| S.F. General Hospital | University of California | Electrical System | 12 |
| S.F. General Hospital, Bldg. 1, Ground Floor | University of California | Lung Biology Lab. 11/1/87 | 24,816 |
| S.F. General Hospital, Bldg. 3, Basement | University of California | Storage | 0 |
| S.F. General Hosp., Bldg 1 | University of California | Nuclear Waste Site | 0 |
| S.F. General Hosp. Bldg. 100 | University of California | Medical Research Center | 19,864 |
| Sutter/Stockton | Uptown Parking Corporation | Parking Facility | 2,267,000 |
| 255 Woodside Avenue | Viacom Cablevision | Cable - right-of-way | 0 |
| Laguna Honda Hospital | Viacom Cablevision | Satellite Dishes | 8,000 |
| 50 Raymond Avenue | Visitacion Valley Community Ctr. | Rec/Health Center | 12 |
| 1715 Yosemite Avenue | Young Community Developers | CETA Training | 12 |
| Kern County, Fuhrman Bequest | Zalba & Azparren | Grazing | 160 |
| Total | | | $13,743,880 |

## AIRPORT

### City as Lessor

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| S.F. International Airport | Twenty six airlines | Airline passenger services & operations | $22,289,545 |
| S.F. International Airport | American Airlines | Hangar space | 1,148,800 |
| S.F. International Airport | American Airlines | Maintenance | 7,000 |
| S.F. International Airport | Butler Aviation | Aircraft storage and service | 84,400 |
| S.F. International Airport | Chevron Corporation | Fuel Tanks | 2,001 |
| S.F. International Airport | Continental Airlines | Cargo space | 174,496 |
| S.F. International Airport | Delta Airlines | Cargo and hangar space | 314,200 |
| S.F. International Airport | Japan Air Lines | Cargo space | 99,375 |
| S.F. International Airport | Northwest Airlines | Cargo space | 840,260 |
| S.F. International Airport | Northwest Airlines | Maintenance | 308,210 |
| S.F. International Airport | Northwest Airlines | Maintenance | 333 |
| S.F. International Airport | Pan American World Airways | Hangar space | 467,600 |
| S.F. International Airport | Pan American World Airways | Training center | 71,225 |
| S.F. International Airport | Shell Oil Company | Fuel Tanks | 21,688 |
| S.F. International Airport | Trans World Airlines | Hangar space | 7,156 |
| S.F. International Airport | United Air Lines | Maintenance | 2,120,551 |
| S.F. International Airport | United Air Lines | Aircraft Parking | 14,775 |
| S.F. International Airport | United Air Lines | Service Center Area | 286,440 |
| S.F. International Airport | United Air Lines | Cargo space | 364,794 |
| S.F. International Airport | United States Postal Service | Mail Facility | 97,495 |
| All Terminals | Tele-Trip | Insurance and business services | 25,157 |
| All Terminals and Plot 11C | Host International | Sale of meals and commissary | 2,150,000 |
| Plot 2 | Hilton Hotel | Lodging | 50,000 |
| North Terminal | Lakeshore Liquors | Sale of Californian Products | 171,511 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| All Terminals | Amlock | Luggage Storage and Lockers | $ 213,635 |
| International Terminal | Hansen's Great Hair Cuts | Hair Salon | 6,251 |
| International Terminal | Deak International | Currency Exchange | 740,000 |
| North Terminal | Duty-Free Shoppers | Duty-Paid Merchandise | 1,367,237 |
| International Terminal | Duty-Free Shoppers | Duty-Paid Merchandise | 1,010,780 |
| South Terminal | Host International | Sale of Merchandise | 2,945,629 |
| North Terminal | Clayborne-Stafford | Sale of Merchandise | 51,561 |
| South Terminal | Shoeshine Unlimited | Shoeshine Stand | 57,512 |
| North and South Terminals | American Express | Automated Teller | 25,200 |
| All Terminals plus McDonnell Roadway | Bank of America | Bank | 185,107 |
| North Terminal | S.H.A. | Video Game Room | 122,656 |
| Terminal Exit Roadway | Chevron | Service Station | 72,000 |
| North Terminal | Tan Enterprises | Sale of Packaged Seafood | 83,539 |
| North Terminal | North Terminal Shines | Shoeshine Stand | 86,400 |
| North Terminal | SFO News/Western Motives | Newstand | 159,543 |
| North Terminal | Host International | Bookstore | 2,030,000 |
| International Terminal | Duty Free Shoppers, Inc. | Candy Store | 66,303 |
| SFO International Terminal | Allders Intl. USA, Inc. | Duty-free concession | 20,125,000 |
| North Terminal | Host International | Gift Store | 1,305,000 |
| International: North Terminals | Kyo M. Ahn | Cigarette Vending | 7,511 |
| North Terminal | ABC Cigar | Candy Store | 316,825 |
| North Terminal | EFS | Stationery Store | 60,168 |
| North Terminal | Host International, Inc. | Pacific Rim Merchandise | 105,000 |
| Total | | | $62,259,869 |

## PUBLIC UTILITIES COMMISSION

### Agricultural Leases

### City as Lessor

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Santa Clara County | Bohan, Jack L. | Grazing | $ 1,072 |
| Alameda County | Davilla and Fields | Grazing | 14,325 |
| Alameda County | Dell, Franklin H. | Grazing | 2,400 |
| Alameda County | East Bay Regional Park | Regional Trail & Park | 18,050 |
| Alameda County | Garcia, Stanley | Grazing | 16,802 |
| Alameda County | Mendoza, Richard | Grazing | 3,552 |
| Alameda County | Nagata Farm | Strawberries/related crops | 6,825 |
| Alameda and Santa Clara Counties | Olney, Boyd M., Jr. dba Four Bar Cattle | Grazing | 141,840 |
| Alameda County | Olney, Boyd M., Jr. dba Four Bar Cattle Co. | Grazing | 51,000 |
| Alameda County | Olney, Boyd M., Jr. dba Four Bar Cattle Co. | Grazing | 52,860 |
| Alameda County | Olney, Boyd M., Jr. dba Four Bar Cattle Co. | Grazing | 30,000 |
| Alameda/Santa Clara Counties | Ornellas Ranches | Grazing | 31,500 |
| Alameda County | Naka Nursery, Inc. | Agric. Nursery | 12,311 |
| Alameda County | Pacific Nurseries | Nursery | 5,475 |
| Alameda County | Pacific Nurseries | Nursery | 9,379 |
| Alameda County | Pacific Nurseries | Nursery | 8,458 |
| Alameda County | Pacific Nurseries | Row Crop & Walnut Orchard | 48,443 |
| Alameda County | Pombo, Ernest Jr. | Grazing | 26,700 |
| Alameda County | Pombo, Ernest J. | Grazing | 6,890 |
| Alameda County | Pombo, Ernest J. | Grazing | 14,250 |
| Alameda County | Pombo, Ernest J. | Grazing | 3,040 |
| Alameda County | Pombo, Ernest J. | Grazing | 11,935 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Sunol/Alameda Counties | Sunol Christmas Tree Farm | Christmas Tree Farm | $ 15,408 |
| Alameda County | Ura, John | Flowers - Peonies | 10,400 |
| Alameda County | Valley Crest Tree Co. | Tree Nursery | 27,292 |
| Alameda County | Vassar Ranch (Lucy Vassar) | Grazing | 19,875 |
| Total - Agricultural Leases | | | $590,082 |

Attachment

## PUBLIC UTILITIES COMMISSION

### Non-Agricultural Leases

### City as Lessor

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Santa Clara County | Acurex Corporation | Parking & Landscaping | $ 13,304 |
| San Jose/Santa Clara County | American Savings & Loan Association | Parking & Landscaping | 11,921 |
| San Francisco | Atlantic Richfield Co. | Driveway | 15,488 |
| Ocean & Phelan Aves., S.F. | California Book Co. | Ground Lease-Book Store Site | 22,500 |
| Santa Clara County | Carruf Corporation, N.V. | Parking & Landscaping | 9,645 |
| Alameda County | Chevron, U.S.A. | Right of Way for Products Pipeline | 8,300 |
| San Mateo | City of Burlingame | Street widening, public parking and landscaping | 11,520 |
| Santa Clara County | Commonwealth Equity Trust | Parking & Landscaping | 14,872 |
| San Mateo County | Crystal Springs Golf Course | Golf Course | 222,502 |
| Alameda County | East Bay Regional Park District | Regional Trail & Park | 18,417 |
| San Mateo County | Filoli Center | Maintenance Yard | 1 |
| San Mateo county | Exchange Lease to City and County of S.F. | Watershed Protection | 0 |
| Santa Clara County | Ford Aerospace and Communications Corp | Research & Development Satellite Communication | 84,060 |
| South San Francisco | Garden Chapel, Inc. | Mortuary | 4,500 |
| San Mateo | Harold & Janice Greer, dba: Four Seasons Garden Center | Nursery | 17,084 |
| Alameda County | Ivaldi Brothers | Gravel Haul Road | 5,000 |
| Daly City | Kadan, Ltd. | Parking & Landscaping | 1,200 |
| San Mateo | King C. Electric, Inc. | Parking | 10,076 |
| Santa Clara County | KLA Instruments Corporation (Assignment of Lease from NELO) | Parking, landscaping, ingress and egress | 29,163 |
| San Mateo County | Koret Foundation | Parking & Landscaping | 7,090 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Santa Clara County | Kollreal | Parking & Landscaping | $ 6,772 |
| Lake Merced Tract, S.F. | Lake Merced Hill Recreation and Management Assoc. (formerly G.B.I. Co.) | Access Road, Underground Utilities | 1,328 [1] |
| San Mateo County | Leech, Robert | Car Rental | 18,440 |
| South San Francisco | Macy, R.H. Co. | Spur Track Crossing & Secondary Access Road | 750 |
| Alameda County | Mission Valley Rock Co. | Sand & Gravel Quarry | 966 |
| Alameda County | Mission Valley Rock Co. | Sand & Gravel Quarry and Agricultural | 919,744 |
| Alameda | Monojit Dasgupta dba: Kid's Wonderland Daycare Center | Landscaping & playground | 3,429 |
| San Mateo County | Moore, William and Naify, Ramsey dba Nickels | Restaurant & Bar | 13,918 |
| Santa Clara County | Mountain View Assocs. | Parking & Landscaping | 13,470 |
| San Mateo County | New York Life Insurance Co. | Right of Way Parking | 9,024 |
| Santa Clara County | North Pointe Business Park Owners Assn. | Parking & Landscaping | 72,252 |
| Santa Clara | No. 1 NB Partners | Parking & Landscaping | 12,000 |
| San Mateo County | OSH Acquisition Corp. (Assignment of Lease from Wickes Companies, Inc.) (Orchard Supply Hardware) | Ground Lease - Retail Hardware | 173,100 |
| Santa Clara County | Oaktree Common Owners' Assn. | Parking & Landscaping | 11,063 |
| San Francisco | Olympic Club Golf Course | Golf Course | 41,769 |
| San Mateo County | Peninsula Sportsmen's Club | Clubhouse, skeet and trap shooting facilities | 15,695 |
| San Bruno | Penney, J.C. Co. | Parking & Landscaping | 5,376 |
| San Mateo County | Petrocchi Bros. | Vehicular Access & Parking | 19,200 |
| San Mateo County | Petrocchi Bros. | Retail Garden Nursery | 10,800 |
| Santa Clara County | Prudential Insurance Company of America | Parking & Landscaping | 6,921 |
| Santa Clara County | Quantic Industries, Inc. | Research & Development | 10,168 |
| San Mateo County | Rasmussen, Terri dba Skyline Stables | Horse Stables | 12,000 |
| San Francisco | Recreation Center for the Handicapped | Center for Handicapped | 1 |
| Santa Clara County | Rolm Corporation | Parking & Landscaping | 15,082 |
| Santa Clara County | Rolm Corporation | Parking & Landscaping | 2,303 |
| Santa Clara County | San Antonio Center Associates | Free customer parking, driveway access and landscaping | 24,000 |

[1] Approximate annual cost. $132,872 was prepaid in 1972 for a 99-year term.

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Santa Clara County | San Antonio Center Associates (Assignment of Lease from Century 72 and Johnson Associates) | Plaza, parking, driveway, landscaping | $ 14,216 |
| San Francisco | S.F. Bay Girl Scout Council | Day Camp | 1 |
| San Francisco | S.F. League of Urban Gardeners (SLUG) | Community Garden | 1 |
| San Francisco | S.F. Unified School District | Ground Lease for Proposed School | 5,350 |
| Santa Clara County | Santa Clara, City of Redevelopment Agency | Parking & Landscaping | 58,119 |
| Alameda County | Santa Clara Sand and Gravel Co. | Sand & Gravel Quarry | 492,400 |
| Alameda County | Santa Clara Sand and Gravel Co. | Sand & Gravel Storage Pile | 6,007 |
| Daly City | Serra Bowl | Parking & Landscaping | 19,177 |
| Santa Clara County | Shapell Industries of Northern California, Inc. | Parking & Landscaping | 49,485 |
| San Mateo County | Shigeo Sekine & Yoichi Amano (Assignment of Lease from El Camino Driving Range, Lino Magpantay, owner) | Golf driving range, parking and purposes thereto | 26,400 |
| Sunol, Alameda County | Sunol Valley Golf and Recreation Company (Frank O. Ivaldi) | Golf Course | 350,991 |
| Alameda County | Thunderbird Lodge, Fremont | Parking & Landscaping | 13,706 |
| San Mateo County | Treasure Island Motel and Trailer Court, Inc. | Mobile Home Park | 23,224 |
| San Francisco | United Bank FSB | Driveway Access & Landscaping | 6,145 |
| San Francisco | Van Van Vo dba: New Long Fish Co. | Open-air sales and parking | 45,000 |
| Santa Clara County | Vanderson Construction Co. | Parking & Landscaping | 1,499 |
| Santa Clara County | Western Pacific Railroad Co. | Parking | 15,504 |
| San Mateo County | Wilms, Earl et. al. dba El Rancho Motel | Parking & Landscaping | 6,000 |
| San Mateo County | Wilms, Earl dba El Rancho Inn | Parking & Landscaping | 12,843 |
| Total - Non-Agricultural Leases | | | $3,072,282 |
| Total - Public Utilities Commission | | | $3,662,364 |

Attachment

## RECREATION AND PARK DEPARTMENT

### City as Lessor

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Candlestick Park | Harry M. Stevens, Inc. | Food/beverage/Novelty | $ 622,559 |
| Candlestick Park | Sony Corporation of America | Electronic Board | 360,202 |
| Candlestick Park | S.F. Giants | Prof. Baseball | 2,257,103 |
| Candlestick Park | S.F. Forty-Niners | NFL Games | 2,727,000 |
| Candlestick Park Lot 6, Parcel #4977 | City Park | Parking Lot | 4,500 |
| Camp Mather | Strawberry Bluegrass Festival | Music Festivals/Store Operations | 50,024 |
| Coit Tower | Bear Vending Co. | Viewing Machines | 20,000 |
| Coit Tower and Children's Play-ground in G.G.P. (carousel) | Friends of Parks | Gift Shop | 1,720 |
| Golden Gate Park Golf Course | Thigpen Ltd., Inc. (Golf and Green Fees) | Golf Pro Shop/Snack Bay Concession | 194,622 |
| | Other | | 6,892 |
| Beach Chalet in Golden Gate Park | Vacant | | 0 |
| Golden Gate Park/Stern Grove/ Marina Green | Hom & Pon | Snack Bar Concession | 106,865 |
| Golden Gate Park | Golden Gate Park Stables, Inc. | Equestrian Center (Horse Rental) | 27,014 |
| Golden Gate Park | Golden Gate Park Tennis | Tennis Pro Shop/Lessons | 6,990 |
| Golden Gate Park Tennis Clubhouse/McLaren Lodge | S.F. Toms Sales | | |
| | Tennis Clubhouse | Vending Machines | 982 |
| | McLaren Lodge | | 260 |
| Japanese Tea Garden in G.G.P. | Jack Hirose c/o Japanese Tea Garden | Tea House/Gift Shop | 155,108 |
| Conservatory of Flowers in G.G.P. | Conservatory of Flowers Auxilliary | Rental & Gift Shop | 12,489 |
| Stow Lake in G.G.P. | Stow Lake Company | Row Boat Rental/Snack Bar | 74,942 |
| Strybing Arboretum in Golden Gate Park | Strybing Arboretum Society | Library/Gift Shop | 100 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Grattan Playground Clubhouse | Haight Ashbury Nursery School | Nursery School | $ 3,762 |
| Harding Park Golf Course | CCA Silband Sports | Golf Shop/Lessons | 112,446 |
| Harding Park Golf Course | Ben Yamane (Benny's Place) | Restaurant/Bar | 36,061 |
| Kezar Parking Lot on Stanyan St. | City Parking Co. | Parking Lot | 32,103 |
| Kezar Pavilion on Stanyan St. | Nob Hill Pizza | Snack Bar Concession | 1,551 |
| Kezar Press Parking Area on Arguello | Haight Ashbury Neighborhood Council | Recycling Center | 4,000 |
| Lake Merced Boathouse | Row Your Boat, Inc. | Restaurant/Bar | 68,828 |
| Lake Merced | Urban Park Concessionaires | Row Boat/Fishing | 21,858 |
| Lake Merced | Pacific Rod & Gun Club | Rod and Gun Club | 3,600 |
| Lincoln Park Golf Course | CCA Silband Sports Shop | Golf Pro Shop/Restaurant/Bar | 88,232 |
| Civic Center | Civic Center Plaza Garage Parking Corp . (nonprofit) Systems Parking, Inc., is the operator | Underground Parking | 716,502 |
| Portsmouth Square Garage | Portsmouth Square Garage Corp. | Parking Garage | 602,534 |
| Mather Family Camp-Saddlehorse | Jay Barnes | Horse & Burro rides | 500 |
| McCoppin Playground Clubhouse | Rainbow Plus | Nursery School | 4,716 |
| McLaren Park | S.F. Golf Enterprises, Eric de Lambert dba Gleneagles | Golf Course Operations | 25,040 |
| Palace of Fine Arts and Sciences | Palace of Fine Arts Foundation | Exploratorium | 1 |
| Palace of Fine Arts and Sciences | Palace of Fine Arts League | Theatre | 1 |
| Peixotto Playground Clubhouse | Rocky Mountain Coop Nursery | Daycare Nursery | 3,762 |
| Sharp Park Golf Course | Joan Lantz & Jack Gage | Pro shop, golf course, bar and restaurant | 83,517 |
| Silvertree Day Camp | Glenridge Coop Nursery | Day Care Nursery | 4,716 |
| Union Square Garage | Systems Parking of Northern California | Parking Garage | 2,881,662 |
| Union Square Garage - 333 Post. | STBS Performing Arts Svcs. | Ticket Sales | 1,250 |
| Gashouse Cove Marina | Paul Kaplan dba Gashouse Cove Marina | Yacht and Fuel sales | 23,817 |
| St. Francis Yacht Club | St. Francis Yacht Club | Restaurant & Yacht Club | 63,474 |
| Golden Gate Yacht Club | Golden Gate Yacht Club | Yacht Club | 5,700 |
| S.F. Zoo | San Francisco Zoo Society | Zoo | 31,827 |
| Stern Grove, Sloat & 19th Ave. | Greg Wood | Caretaker's dwelling unit | 1,800 |
| Coit Tower | Tim Liliquist | Caretaker's dwelling unit | 2,100 |
| McLaren Cottage | James Malizia | Caretaker's dwelling unit | 3,600 |
| Camp Mather | Bob Murray | Caretaker's dwelling unit | 300 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| South Windmill Cottage | | | |
| Golden Gate Park | Cornelius O'Neil | Caretaker's dwelling unit | $ 8,400 |
| 502 Jefferson St., S.F., CA 94109 | Dolphin Club | Swimming & Boating | 30,400 |
| 500 Jefferson St., S.F., CA 94109 | Southend Rowing Club | Swimming & Boating | 16,415 |
| Various Park Locations | COM Systems | Pay Phone-Long Distance | 500 |
| Laurel Hill Playground Clubhouse | S. F. Community College | Adult Education Program | 5,344 |
| Total as Lessor | | | $11,519,691 |

Attachment

## PORT OF SAN FRANCISCO

### City as Lessor

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Seawall Lot 345 | Akinai, Inc. | Fish Processing | $ 45,240 |
| Seawall Lot 302 | Alioto Fish Co. | Fishing Industry | 37,853 |
| Seawall Lot 303 | F. Alioto Fish Co. | Fish Industry | 38,948 |
| Seawall Lot 303 | F. Alioto Fish Co. | Fish Industry | 11,295 |
| Pier 49 | Alioto Fish Co., Ltd. | Restaurant | 341,196 |
| Seawall Lot 301 | Alioto Fish Co., Ltd. | Restaurant | 178,652 |
| Seawall Lot 303 | Alioto Seafoods M., Inc. | Restaurant | 11,905 |
| Seawall Lot 303 | Alioto Seafoods M., Inc. | Restaurant | 19,461 |
| Pier 50 | Alan Wofsy | Office | 7,265 |
| Pier 33 | Anchor Shellfish Co. | Fish Handling | 18,515 |
| World Trade Center Suite 264 | Ann Mahoney | Office | 3,151 |
| Seawall Lot 337 | Atchison, Topeka & Santa Fe | Mixed Uses | 116,119 |
| Seawall Lot 344 | Baker Commodities, Inc. | Rendering Plant | 29,432 |
| Seawall Lot 344 | Baker Commodities, Inc. | Cargo Handling | 21,592 |
| Ferry Plaza | Bay Corporation | Restaurant | 95,692 |
| Seawall Lot 319 | Blue Jean Equities West | Restaurant | 200,198 |
| Pier 49 | Borruso's Lighthouse | Restaurant | 74,031 |
| Seawall Lot 352 | Bounty Restaurant | Bar/Restaurant | 10,194 |
| Pier 7 | Bundox Restaurant, Inc. | Restaurant | 266,862 |
| Pier 9 | Bundox Restaurant, Inc. | Office and Support Space | 29,104 |
| Seawall Lot 351 | Burger, Ken | Auto Services & Parking | 11,520 |
| Seawall Lot 344 | CAO | Recycling Center | 11,616 |
| Seawall Lot 324 | California Cafe Restaurant | Restaurant | 170,788 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Seawall Lot 302 | California Shell Fish Co. | Fish Processing | $ 6,068 |
| Seawall Lot 303 | California Shell Fish Co. | Fishing Industry | 16,434 |
| Seawall Lot 303 | California Shell Fish Co. | Fishing Industry | 14,209 |
| Pier 31 | Crent Company | Product Packaging | 461,107 |
| Pier 80 | California Stev & Ballast | Cargo Terminal Offices | 56,892 |
| Pier 49 | Castagnola Restaurant | Restaurant | 208,275 |
| Seawall Lot 302 | Chez Laura Enterprises | Restaurant | 61,092 |
| Seawall 302 | Coast Marine & Industrial | Retail | 58,320 |
| Pier 33 | Cohan Seafood Inc. | Fish Handling | 11,700 |
| Pier 90 | Continental Grain Company | Cargo Handling/Grain Terminal | 285,000 |
| Seawall Lot 302 | Cory Gallery | Retail | 48,060 |
| Pier 49 | Cresci Bros. Inc., Corp. | Crab Pot/Gift Shop | 46,622 |
| Pier 45 | Davis, Patrick | Fishing Industry | 9,811 |
| Sidewalk Area (Broadway/Embarcadero) | Department of Public Works | Right-of-way | 0 |
| World Trade Center | Despot Nelson & Co. | Office | 3,292 |
| Pier 33 | Domenico Ingrande | Fish Handling | 3,690 |
| Seawall Lot 313 | Embarcadero Triangle | Development Projects | 172,824 |
| Pier 3 | F.B. Santa Rosa Port. Ltd. | Restaurant and Offices | 26,559 |
| Seawall Lot 303 | Fish Alley Bar & Grill | Restaurant | 41,455 |
| Pier 49 | Fisherman's Grotto | Restaurant | 409,555 |
| Pier 47 | Fisherman's Wharf Seafoods | Fish Processing | 7,292 |
| Pier 27 | Flying Dutchman Park, Inc. | Offices | 91,764 |
| Pier 19 | Foreign Trade Services, Inc. | Cargo Handling/Foreign Trade Zone | 179,671 |
| Pier 48 | Forest Terminals Corp. | Cargo Terminal | 240,000 |
| Seawall Lot 303 | Franceschi Corporation | Restaurant | 28,338 |
| Pier 43 | Franciscan Restaurant | Restaurant | 206,960 |
| Pier 43 | Franciscan Restaurant | Auto Services and Revenue Parking | 276,778 |
| Seawall Lot 302 | Frank's Fisherman's Supply | Fishing Industry | 36,558 |
| Seawall Lot 349 | Fred F. Noonan Co., Inc. | Cargo Handling | 415,000 |
| Pier 3 | Fresno Partners | Development Projects | 6,000 |
| Seawall Lot 322 | G.B. Associates | Development Projects | 111,519 |
| Seawall Lot 301 | Gelardi's Gift Shop | Restaurant | 35,015 |
| Agriculture Building | Georgina Wells | Office | 4,114 |
| Seawall Lot 337 | Gerber, John R. | Waste Paper Processing | 60,000 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Pier 49 | Guardino's Fisherman's | Crab Pot/Gift Shop | $ 77,212 |
| Pier 1 1/2 | Harbor Carriers, Inc. | Passenger Ferry Berthing and operations | 14,400 |
| Pier 9 | Harbor Carriers, Inc. | Water Taxi, ferry boat maintenance, administrative offices for water taxi, support parking | 44,224 |
| Pier 41 | Harbor Carriers, Inc. | Office-Vessel Land | 204,999 |
| Pier 41 | Harbor Carriers, Inc. | Office-Vessel Land | 277,872 |
| Seawall Lot 315 | HHC Investments LTD | Development Projects | 294,686 |
| Pier 80 | International Coach | Office | 11,232 |
| SWL 337 | J & H Marine & Industrial | Marine Repair | 72,261 |
| Seawall Lot 328 | JMC Associates | Auto Services and Revenue Parking | 117,504 |
| Pier 46 | Kest, Inc. | Radio Antenna | 7,527 |
| Seawall Lot 344 | King Broadcasting Co. | Radio Station | 14,747 |
| Pier 5 | Klamath Ferryboat Assoc. | Berthing Space | 28,440 |
| Ferry Building | Limbach, Limbach & Sutton | Law Offices | 380,160 |
| Ferry Building | Limbach, Limbach & Sutton | Law Offices | 87,487 |
| Agriculture Building, Suite 201 | Louis E. Braun, Jr. | Video Editor's Office | 3,822 |
| Pier 15 | Lovitt & Hannan | Office/Storage | 3,600 |
| Seawall Lot 303 | Maskell Marine Services | Retail | 136,153 |
| Mission Creek (China Basin) | Mission Creek Harbor Assn. | Houseboat Harbor | 31,104 |
| Seawall Lot 345 | Mission Rock Resort | Bar/Restaurant | 63,684 |
| 1399 Marin Street | Municipal Railway | Warehouse | 17,308 |
| Seawall Lot 349 | Nicholson's Precision Heat Treating Co., Inc. | Precision Heat Treating | 28,545 |
| Ferry Building | Nino Ruta | Offices | 7,812 |
| World Trade Center | Norgaard Consultants, Inc. | Consultant's Office | 29,700 |
| World Trade Center | Pacific Carbide | Office | 4,056 |
| Pier 33 | P.I. Trading | Fish Handling | 13,572 |
| World Trade Center | P.J. Rhodes & Company | Export/Import Office | 57,788 |
| Pier 15 | Parker Warehouse, Inc. | Cotton Warehouse/Office | 174,999 |
| Pier 23 | Pier 23 Cafe | Restaurant | 69,156 |
| Pier 33 | Pier 33, Inc. | Development Projects | 38,842 |
| Pier 39 | Pier 39 Associates | Development Projects | 912,917 |
| Candlestick Park Vicinity | Piombo Construction | Right of Way | 351 |
| Candlestick Park Vicinity | Piombo Construction | Right of Way | 150 |
| Seawall Lot 302 | Pompei Enterprises Corp. | Restaurant | 65,271 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Pier 28 | Regina Del Mare | Office | $ 6,234 |
| Candlestick Park Vicinity | Ricci, Julio | Construction Storage | 407 |
| Pier 9 | Riedel International, Inc. | Maritime Transport | 20,898 |
| World Trade Center, Suite 319 | Robert B. Victor/Network Overseas | Export/Import Office | 14,137 |
| World Trade Ctr. Suite 129 | Robert R. Reyff | Law Offices | 11,277 |
| Pier 46 | Roberts Furniture | Furniture Warehousing | 39,384 |
| Agriculture Building | Rogers & Associates | Office Space | 11,450 |
| Agriculture Building Suite 210 | Rubin Glickman & Assoc. | Law Offices | 39,660 |
| Agriculture Building | Rubin Glickman & Assoc. | Office | 41,028 |
| Pier 9 | S.F. Bar Pilots Assoc. | Offices, Vessel/Berthing, Maintenance | 210,852 |
| South Beach Redevelopment Area | S.F. Redevelopment Agency | Development Projects-Marina | 94,908 |
| South Beach Redevelopment Area | S.F. Redevelopment Agency | Development Projects-Streets | 0 |
| South Beach Redevelopment Area | S.F. Redevelopment Agency | Development Projects-Streets | 0 |
| South Beach Redevelopment Area | S.F. Redevelopment Agency | Development Projects-Housing | 24,300 |
| South Beach Redevelopment Area | S.F. Redevelopment Agency | Development Projects-Mixed Use Development | 54,000 |
| South Beach Redevelopment Area | S.F. Redevelopment Agency | Development Projects-Streets | 0 |
| South Beach Redevelopment Area | S.F. Redevelopment Agency | Development Projects-Streets | 0 |
| Pier 80 | S.F. C&C: Agriculture Dept. | Government/Cargo Inspection | 18,636 |
| Seawall Lot 349 | S.F. C&C: Police Dept. | Government - Car Storage/Crushing | 403,539 |
| Pier 49 | Sabella & Latorre | Restaurant | 106,485 |
| Pier 42 | Sailing Ship Dolphin P.R. | Restaurant | 24,120 |
| Pier 47 | Scoma's Restaurant, Inc. | Restaurant | 652,651 |
| Pier 28 | Sea-Win Fish Co. | Fish Handling Office | 41,400 |
| Pier 36 | Service Engineering Company | Ship repair facility | 212,736 |
| Ferry Building Room 1024-A | Shanghua Designs | Storage | 1,504 |
| World Trade Ctr. Suite 306 | Craig Sherwood dba: All Stars Music | Promotional Office | 7,049 |
| Seawall Lot 334 | Ship Clerks Association | Union Offices | 31,416 |
| World Trade Ctr. Suite 275-H | Ship Store Supply | Import Office | 3,775 |
| Pier 35 | Simco Group | Corporate Offices | 25,287 |
| Pier 2 | Sinbads | Restaurant | 209,481 |
| Seawall Lot 334 | So. Beach Harbor Light | Bar/Restaurant | 8,279 |
| Seawall Lot 349 | Southwest Maritime of S.F. | Ship repair | 1,200,000 |
| Pier 9 | Speedy's Delivery Service | Office Space; messenger | 7,557 |
| Pier 9 | Spolter McDonald and Mannion | Office space | 17,400 |
| Seawall Lot 345 | St. Francis Maritime Center | Retail boatyard/restaurant | 131,628 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Seawall Lot 303 | Standard Fisheries Corp. | Fishing Industry | $ 23,328 |
| Pier 49 | Tarantino's, Inc. | Restaurant | 156,549 |
| Ferry Building, Suite 1024-28 | Terrance A. Forgette, dba United Video | Storage | 3,938 |
| Seawall Lot 352 | Tidewater Sand and Gravel | Sand Reclamation | 97,824 |
| World Trade Ctr. Suite 275-F | Totem Ocean Trailer Express | Shipping Office | 3,572 |
| Pier 1 1/2 | Turnbull & Assoc. | Office | 101,758 |
| Pier 47 | United Shellfish Company | Fish Processing/Wholesale | 1,417 |
| Pier 47 | United Shellfish Company | Fish Processing/Wholesale | 2,050 |
| Seawall Lot 302 | United Shellfish Company | Fishing Industry | 9,444 |
| Seawall Lot 302 | United Shellfish Company | Fishing Industry | 11,058 |
| World Trade Ctr. Suite 239 | George Vare & Assoc. | Consulting Office | 4,914 |
| Pier 28 | Vietnamese Fisherman Assoc. of America | Fish Handling/Office Support | 13,344 |
| Pier 33 | Water Department | Operations Area | 9,576 |
| Seawall Lot 318 | Westcap Heritage Investor | Development Projects | 365,000 |
| World Trade Center | World Trade Club | Restaurant | 259,099 |
| Total | | | $13,416,533 |

Attachment

## REDEVELOPMENT AGENCY

### City as Lessee

| Location | Lessor | Use | Annual Rental |
|---|---|---|---|
| 939 Ellis | Bay Area Air Quality | Offices | $284,136 |
| South Beach Harbor | Port of San Francisco | 680 boat berth harbor and public access | 114,000 |
| AB 3790 Lot 1, AB 3791 Lot 1 & Fremont St. between Brannan & Embarcadero | Port of San Francisco | 1771 housing units 65,000 sq. ft. of commercial uses | 54,000 |
| Local St. in South Beach | Port of San Francisco | Streets, utilities, sidewalks, landscaping, plazas | 0 |
| TOTAL | | | $452,136 |

-73-

## REDEVELOPMENT AGENCY

### City as Lessor

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| Bonifacio & Lapu Lapu | TODCO/YBC III | Community Garden | $ 600 |
| 3rd & Mission and Market between 3rd & 4th | YBG Associates | Hotel | 1,050,000 |
| 1 Federal | Bayside Village Associates | Office and Construction Staging | 204,000 |
| Sea Wall Lot 331 & 332 | Delancey St. Foundation | Development site for 177 dwelling units and 65,000 sq. ft. of commercial space | 266,682 |
| 211 Brannan | J.T.X. Trucking, Inc. | Office and Warehouse Space | 35,520 |
| 211 Brannan | YBC Cultural Center | Cultural Center | 0 |
| 211 Brannan | Painting the Town | Office and Warehouse Space | 5,400 |
| 1st & Bryant | Patrick Media Group | Advertising Sign | 58,269 |
| 1698 Sutter | Kintoki Restaurant | Restaurant | 1,800 |
| 1710 Laguna Street | Marciana Beauty Shop | Beauty Shop | 1,200 |
| 1881 Bush | San Francisco Go Club | Club | 3,000 |
| 1899 Bush | Yamato Body Shop | Auto Body Shop | 4,200 |
| 222-224 Jessie Street | Kalman Mechanical, Inc. | Construction Storage | 23,820 |
| Market between 3rd & 4th | Golden Gate Parking | Commercial Parking Lot | 156,000 |
| Mission between 3rd & 4th | Mission Auto Park | Commercial Parking Lot | 31,524 |
| Mission between 3rd & 4th | Metropolitan Parking Corp. | Commercial Parking Lot | 33,060 |
| 3rd & Mission | Metropolitan Parking Corp. | Commercial Parking Lot | 74,040 |
| 4th & Howard | Tutor-Saliba Corp. | Yerba Buena Construction | 2,200 |
| 3rd between Mission & Howard | Metropolitan Parking Corp. | Commercial Parking Lot | 57,960 |
| 3rd between Mission & Howard | Metropolitan Parking Corp. | Commercial Parking Lot | 66,768 |
| 3rd & Howard | S.E. Onorato | Commercial Parking Lot | 43,020 |
| 4th & Harrison | California Parking Corp. | Commercial Parking Lot | 50,988 |

| Location | Lessee | Use | Annual Rental |
|---|---|---|---|
| 3rd & Harrison | George Davit | Commercial Parking Lot | $ 27,504 |
| 3rd & Mission | Metropolitan Parking Corp. | Commercial Parking Lot | 128,292 |
| 3rd & Jessie | Metropolitan Parking Corp. | Commercial Parking Lot | 52,464 |
| Van Ness & Myrtle | Metropolitan Parking Corp. | Commercial Parking Lot | 62,400 |
| Webster, Eddy & Fillmore | Western Commercial Partnership | Parking Lot | 40,080 |
| Webster, Eddy & Fillmore | Steiny and Company | Construction Trailer | 7,200 |
| Webster, Eddy & Fillmore | Kalman Mechanical Inc. | Construction Trailer | 1,728 |
| Webster, Eddy & Fillmore | Viking Fire Protection Co. | Construction Trailer | 1,440 |
| Webster, Eddy & Fillmore | Kalman Mechanical Inc. | Construction Trailer | 7,128 |
| Webster, Eddy & Fillmore | Consolidated Engineering | Construction Trailer | 864 |
| Webster, Eddy & Fillmore | Chacon Steel Company, Inc. | Construction Trailer | 576 |
| Webster, Eddy & Fillmore | Concrete Form Constructors | Construction Trailer | 3,240 |
| Webster, Eddy & Fillmore | ELV Systems, Inc. | Construction Trailer | 1,080 |
| TOTAL | | | $2,504,047 |

Attachment

## SURPLUS AND DORMANT PROPERTY

| Category | Location | Owner | Use | Sq.Ft. or Acreage | Remarks |
|---|---|---|---|---|---|
| Surplus | Block 19 (bounded by Powell, Beach, Stockton, and North Point) | PUC-Muni | Bus yard | 2.6 acres | No current plans |
| Surplus | Block 805, Lot 37 (east side of Webster between Ivy and Grove Streets) | DPW | Vacant | 2,415 sq.ft. | Possible residential development (3 units) |
| Surplus | Alameda County; A.P.N. 96-310-19 | PUC | Vacant | 4.6 acres | Available for auction |
| Surplus | Pleasanton, Alameda County | PUC | Agricultural leases | 523 acres | "Specific plan" being proposed for development |
| Dormant | West of Highway 101 and just north of the Airport | Airport | Vacant | 180 acres | Endangered specie habitat (San Francisco Garter snake) |
| Dormant | Tidelands abutting the Airport | Airport | Vacant | 2,500 acres | No development proposed. Development would be subject to numerous governmental approvals. |
| Dormant | Beach Chalet on the Great Highway | Rec/Park | Vacant | 12,225 sq.ft. | Rec/Park is actively seeking to lease the space. |

| Category | Location | Owner | Use | Remarks |
|---|---|---|---|---|
| Dormant | Pier 43 | Port | 36,000 s.f. | Pier unsafe, planned for demolition. |
| Dormant | Pier 45 Shed A<br>Shed B<br>Shed C | Port | 70,087 s.f.<br>71,048 s.f.<br>73,265 s.f. | Pier sheds evacuated due to earthquake damage. Plans for repairs in process. Part of the Seafood Center project. |
| | Agriculture Bldg. | Port | 24,248 s.f. | No Longer Dormant. Earthquake repairs have been completed and re-renting program is in process. |
| Dormant | Pier 24 | Port | 104,300 s.f. | Pier condemned. Scheduled for demolition as part of Sailing Center project now being negotiated. |
| Dormant | Piers 30-32 | Port | 553,000 s.f. | Pier shed destroyed by fire. Pier subject of planning review to determine best new use. In the interim, pier is being used for ceremonial and special events as well as for temporary rentals. |
| Dormant | Seawall Lot 329<br>Seawall Lot 330 | Port | 15,250 s.f.<br>97,793 s.f. | Planned for surface parking while awaiting permanent development of Piers 30-32. Bids have been accepted and operation of lots expected to commence in fall, 1990. |
| Dormant | Pier 34 | Port | 91,000 s.f. | Pier currently unsafe. Disposition awaits completion of planning process. |
| Dormant | Seawall Lot 354 | Port | 122,000 s.f. | On hold at the request of the city Real Estate Department for development as Muni bus yard. |
| Dormant | Seawall Lots 352 and 344 | Port | 60 acres | Container terminal expansion area (Piers 92-94) |
| Dormant | Performing Arts Garage | Parking Authority | 1,950 s.f. | In the process of leasing. |

## SUB-LEASES

| Department | Lessee | Lease No. | Location | Sublessee Name |
|---|---|---|---|---|
| Port of S.F. | Alioto Fish Co., Ltd. | L-7495 | SWL 301 | Boudin Bakeries |
| Port of S.F. | Atchinson, Topeka and Santa Fe | L-7270 | SWL 337 | S.F. Tow Detail |
| Port of S.F. | Baker Commodities, Inc. | L-6695 | SWL 344 | Royal Tallow & Soap |
| Port of S.F. | Blue Jeans Equity West | L-10388 | SWL 319 | Real Restaurants, Inc. (Fog City Diner) |
| Port of S.F. | Cory Gallery | L-8984 | SWL 302 | A & M Enterprises |
| Port of S.F. | Fish Alley Bar & Grill | L-9781 | SWL 303 | A & M Enterprises |
| Port of S.F. | Flying Dutchman Pk. Inc. | L-11375 | Pier 27-1/2 | (1) Highlight Productions<br>(2) You and Leisure Tours & Travel, Inc. |
| Port of S.F. | Franciscan Restaurant | L-7496 | Pier 43-1/2 | R & K Enterprises |
| Port of S.F. | G.B. Associates | L-8380 | SWL 322 | American Broadcasting Co. |
| Port of S.F. | Harbor Carriers, Inc. | L-9183/L-9176 | Pier 41 | Alcatraz Enterprises, Inc. |
| Port of S.F. | Alioto Fish Co. | L-9171 | SWL 302 | France Foods |
| Port of S.F. | Klamath Ferryboat Assoc. | L-11262 | Pier 5 | Landor Associates |
| Port of S.F. | Pier 33, Inc. | L-10446 | Pier 33 | (1) Hornblower Dining Yachts<br>(2) The Bank of Industry<br>(3) Rubicon Ventures |
| Port of S.F. | S.F. Redevelopment Agency | L-11337 | SWL 331/332 | Delancy St. Foundation |
| Airport | Host International | | South Terminal | Made in California<br>La Floresta<br>Marilla Chocolates<br>Pacific Catch & Carry<br>California Soaps and Lotions |

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# CALENDAR

# SPECIAL MEETING OF
# FINANCE COMMITTEE

Board of Supervisors
City and County of San Francisco

WEDNESDAY, OCTOBER 24, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 9:00 a.m. the date of the meeting.

1. File 84-90-4.1. [Negative Declaration] Resolution adopting Final Negative Declaration, finding and determining that the conversion of an existing four story (over basement) office building to an emergency shelter (225 beds) for homeless men and women and the acquisition of City and County of San Francisco Assessor's Parcel Block 694, Lot 4 for the property located at 1001 Polk Street/1000 Geary Street, will have no significant impact on the environment, and adopting and incorporating findings of Final Negative Declaration. (Supervisor Walker)

   ACTION: AMENDED ON LINE 15 AS FOLLOWS: After "WHEREAS," strike "This" and insert "The Finance Committee of the". NO CHANGE IN TITLE. RECOMMENDED AS AMENDED.

2. File 28-90-13.1. [Emergency Repair] Resolution approving additional emergency expenditure for repairs to Hetch Hetchy's Mountain Tunnel. (Public Utilities Commission)

   ACTION: RECOMMENDED.

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

October 22, 1990

**TO:** Finance Committee

**FROM:** Budget Analyst - recommendations

**SUBJECT:** October 24, 1990 Special Meeting of the Finance Committee.

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Item 1 - File 84-90-4.1

**Department:** Department of City Planning
Department of Social Services (DSS)

**Item:** Resolution adopting final negative declaration, and finding and determining that the conversion of an existing four story office building to an emergency shelter (225 beds) for homeless men and women and the acquisition of City and County of San Francisco Assessor's Parcel Block 694, Lot 4, for the property located at 1001 Polk Street, will have no significant impact on the environment, and adopting and incorporating findings of the final negative declaration.

**Location:** 1001 Polk Street

**Description:** As part of the City's homeless program, DSS has established shelter facilities known as Multiservice Centers to serve the various needs of homeless persons. Currently, DSS operates, through contracts with non-profit agencies, two Multiservice Centers located at 1001 Polk Street and 525 - 5th Street. The Multiservice Centers provide shelter, 24 hours per day drop-in services, and case management services to homeless single adult men and women.

In October of 1990, the Board of Supervisors approved legislation authorizing DSS to carry out various aspects of the operation of the Multiservice Centers including purchase of the 525 - 5th Street and 1001 Polk Street facilities, receiving grant funds, and expending funds to rehabilitate the buildings in which the Multiservice Centers are housed (Files 153-90-4, 101-90-16, 84-90-2, and 270-90-21).

On August 16, 1990, the Department of City Planning issued a preliminary negative declaration 90.183E for the 1001 Polk Street property. On August 30, 1990, the preliminary negative declaration was appealed to the City Planning Commission. The City Planning Commission, at its meeting of September 20, 1990, determined that the proposed acquisition of the 1001 Polk Street property would have no significant adverse impact on the environment and issued a final negative declaration.

The Board of Supervisors previously approved the adoption of final negative declaration on the 525 - 5th Street site.

**Comments:** Approval of this proposed resolution would conform with the the acquisition of the 1001 Polk Street property, previously approved by the Board of Supervisors.

**Recommendation:** Approve the proposed resolution.

Item 2 - File 28-90-13.1

**Departments:** Public Utilities Commission (PUC), Hetch Hetchy

**Item:** Emergency Resolution. Section 6.30 of the Administrative Code states that approval by the Board of Supervisors is to be obtained for emergency expenditures in excess of $25,000.

**Amount:** $545,000 (Increase of $545,000 to an existing emergency authorization of $420,000 for a total of $965,000)

**Source of Funds:** Previously approved Hetch Hetchy San Joaquin Pipe Line Repair monies

**Description:** The PUC declared that an emergency condition existed involving a portion of Hetch Hetchy's Mountain Tunnel, which is a section of City-owned pipeline in Tuolumne County that transports water to the Bay Area. The PUC reported that in the Fall of 1989, a consultant study identified early stages of deterioration, and that Hetch Hetchy staff recently reassessed the Tunnel and determined that the deterioration must be stopped as soon as possible in order to assure the integrity of the Tunnel.

The project involves the construction of a mock tunnel pipeline to test the repair procedures, and then the actual repair of the Mountain Tunnel. The PUC reported that the Mountain Tunnel is the only means of conveying water through this section of Tuolumne County and, therefore, the PUC does not want to experiment with repair procedures on the actual pipeline. The PUC also reported that the Mountain Tunnel can only be shut down for repairs during the late Fall, after water deliveries to the Bay Area are reduced and before weather makes the work impossible.

The original estimated total project cost of $1,500,000 was based on the consultant's study, which estimated that repair of the Tunnel would cost approximately $3,000 per linear foot for the 500 foot section of the Tunnel.

The Board of Supervisors authorized funding in the amount of $420,000 for engineering and planning costs associated with the emergency repairs on July 30, 1990 (Resolution 611-90). According to Mr. Carlos Jacobo of the PUC, the engineering and planning phase has been substantially completed by the firm of Leedshill Herkenhoff, although design modifications are still being made. Actual costs incurred during the engineering and planning phase thus far have been approximately $320,000.

The results of the engineering and planning phase indicate that the necessary emergency repairs can be completed at a cost of an additional $545,000 for a total project cost of $965,000, as compared to the original estimated total project cost of $1,500,000.

The PUC plans to use the Utilities Engineering Bureau (UEB) staff to manage the entire project, including overseeing Hetch Hetchy staff and the consultants and construction inspection, to use Hetch Hetchy personnel for direct supervision and the construction labor, and to use contractual services for specialized concrete repair services during the construction phase of the emergency repair project. Hetch Hetchy is currently assembling the special tools and construction materials for the project, and expects to begin repairing the actual Tunnel on November 1, 1990. Construction is estimated to be completed November 21, 1990.

**Contract Procedure:** Due to the urgent nature of the required Mountain Tunnel repairs, PUC plans to use expedited contract procedures, as permitted under Section 6.30 of the Administrative Code.

**Project Budget:** The estimated project budget for the construction phase of the Mountain Tunnel Repair Project is as follows:

Mountain Tunnel Repairs - November 1-21, 1990

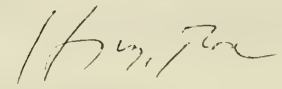
| | | |
|---|---|---|
| UEB | | |
| Salaries, Fringe Benefits and Overhead | | |
| 1,263 hours @ an average of $52.26/hour | | $66,000 |
| Hetch Hetchy | | |
| Salaries, Fringe Benefits, Overtime and Overhead | | |
| 1,224 hours @ an average of $71.90/hour | | 88,000 |
| Direct Expenses | | |
| Equipment Rental, Materials and Supplies | | 136,000 |
| Consultant Services - Design and installation of vent holes | | |
| Leedshill Herkenhoff - Plan and Design | $7,000 | |
| Drilling Contractor + (10% contingency) | 198,000 | |
| | | 205,000 |
| Contingency (10.1 %) | | 50,000 |
| Total | | $545,000 |

**Comments:**

1. Leedshill Herkenhoff, the planning and design phase consultant, would be retained for design of the vent holes. Leedshill Herkenhoff is neither a MBE, WBE or LBE firm. Leedshill Herkenhoff would subcontract with a firm, which to date has not been selected, for the actual drilling operation.

2. As previously noted, the project would be funded with previously approved Hetch Hetchy San Joaquin Pipe Line Repair monies. The PUC reports that these funds are more urgently needed for the Mountain Tunnel repair project at this time and that the $965,000 would be returned to the San Joaquin Pipe Line Repair fund from proceeds of a pending Hetch Hetchy revenue bond sale.

**Recommendation:** Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
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# CALENDAR - [ACTIONS TAKEN]

## MEETING OF
## FINANCE COMMITTEE
## BOARD OF SUPERVISORS
## CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, OCTOBER 31, 1990 - 2:00 P.M. ROOM 228, CITY HALL

MEMBERS: SUPERVISORS WALKER, MAHER, HALLINAN

ABSENT: SUPERVISOR MAHER, ITEMS 1 and 2

CLERK: PATRICIA J. ENG

NOTE: Copies of the Budget Analyst's Report will be available for review on the counter in the Office of the Clerk of the Board, Room 235, City Hall, 10:00 a.m. the date of the meeting.

### CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee, and will be acted upon by a single roll-call vote of the committee. There will be no separate discussion of these items unless a member of the committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:

   a) File 172-90-28. [Contract] Resolution approving the contract between the City and County of San Francisco, Office of the Chief Administrative Officer (CAO), and Facility Management Incorporated of California (FMI) for the management of the San Francisco Convention Facilities. (Chief Administrative Officer)

   b) File 25-90-26. [Contracting Out City Services] Resolution concurring with the Controller's certification that computer programming enhancements to the Department of the Board of Supervisors' Mailing List System can be practically performed by private contractor for lower cost than similar work performed by City and County employees. (Board of Supervisors)

ACTION: ITEM 1a SEVERED. REMAINDER OF CONSENT CALENDAR RECOMMENDED.

ITEM 1a, File 172-90-28. AMENDED TO PROVIDE EFFECTIVE DATE OF 7/1/90. NEW TITLE: "[Contract] RESOLUTION APPROVING THE CONTRACT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO, OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER (CAO), AND FACILITY MANAGEMENT INCORPORATED OF CALIFORNIA (FMI) FOR THE MANAGEMENT OF THE SAN FRANCISCO CONVENTION FACILITIES; EFFECTIVE JULY 1, 1990." RECOMMENDED AS AMENDED."

REGULAR CALENDAR

2. File 97-90-46. [General Assistance - Income Disregard] Ordinance amending Administrative Code by amending Section 20.57 to add monthly eligibility and asset disregard provisions to the income and asset disregard program. (Supervisor Walker)

(Continued from 10/17/90.)

ACTION: CONTINUED TO 11/7/90.

3. File 64-90-38. [Lease of Property] Resolution authorizing a new lease of real property at 2789 25th Street, for the Department of Public Health, for the Paramedic Division. (Real Estate Department)

(Continued from 10/24/90.)

ACTION: RECOMMENDED. (SUPERVISOR MAHER DISSENTING IN COMMITTEE.)

4. File 97-90-45. [Professional Membership] Ordinance amending Administrative Code, by amending Section 16.6-16 thereof, to add sixteen new organizations to the membership list of the Recreation and Park Commission. (Recreation and Park Department)

(Continued from 10/24/90.)

ACTION: RECOMMENDED. TO BOARD FOR THE MEETING OF TUESDAY, NOVEMBER 13, 1990.

5. File 32-90-3. [Cable Television Franchise Revisions] Ordinance amending Ordinance No. 105-64 by amending Section 8, relating to cable television franchise, by deleting matching fund requirement for public access funding. (Supervisor Britt)

ACTION: AMENDED TO URGE THE NOT-FOR-PROFIT CORPORATION TO RAISE FUNDS FROM NON-CITY SOURCES. NEW TITLE: "[Cable Television Franchise Revisions] ORDINANCE AMENDING ORDINANCE NO. 105-64 BY AMENDING SECTION 8, RELATING TO CABLE TELEVISION FRANCHISE, BY DELETING MATCHING FUND REQUIREMENT FOR PUBLIC ACCESS FUNDING, AND BY URGING THE NOT-FOR-PROFIT CORPORATION TO RAISE FUNDS FROM NON-CITY SOURCES." (SUPERVISOR MAHER DISSENTING IN COMMITTEE.)

6. File 97-90-50. [Animal Care & Control Department] Ordinance amending Administrative Code, by amending Section 10.169-7, to increase the amount of the Animal Care and Control Department Revolving Fund from $2,000 to $5,000. (companion to File 100-90-1.3) (Animal Care and Control Department)

ACTION: RECOMMENDED.

7. File 100-90-1.3. [Release of Funds] Requesting release of reserved funds, Animal Care and Control Department, in the amount of $5,000 to increase the amount in revolving fund. (companion to File 97-90-50) (Animal Care and Control Department)

   ACTION: HEARING HELD. RELEASE OF $5,000 RECOMMENDED. FILED.

8. File 101-90-24. [Government Funding] Ordinance appropriating $20,832 for rental of property and rescinding $20,832 from permanent salaries, Mayor's Office for Fiscal Year 1990-91. (companion to File 64-90-40.) (Supervisor Walker on behalf of the Mayor)

   ACTION: CONTINUED TO 11/7/90.

9. File 64-90-40. [Sublease of Real Property] Resolution authorizing sublease of real property at 1390 Market Street for the Mayor's Office. (companion to File 101-90-24.) (Supervisor Walker on behalf of the Mayor)

   ACTION: CONTINUED TO 11/7/90.

10. File 65-90-7. [Disposition and Development Agreement] Resolution authorizing and approving execution of a disposition and development agreement for Blocks 5731, 5732, 5733, 5733-A (Lot 1) and 5734 (Lot 1) commonly known as the Farmers' Market. (Supervisor Walker on behalf of the Mayor)

    ACTION: CONTINUED TO 11/28/90.

11. File 146-90-77. [Grant - State Funds] Resolution authorizing the Department of Public Health, AIDS Office, to apply for, accept and expend a grant allocation of $2,735,026 from the State of California Department of Health Services, to fund the Master Grant Agreement Consolidated Funding Program. (Mayor)

    ACTION: AMENDED TO DELETE THE APPLY FOR CLAUSE AND PROVIDE FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN. NEW TITLE: "[Grant - State Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, AIDS OFFICE TO ACCEPT AND EXPEND A GRANT ALLOCATION OF $2,735,026 FROM THE STATE OF CALIFORNIA DEPARTMENT OF HEALTH SERVICES, TO FUND THE MASTER GRANT AGREEMENT CONSOLIDATED FUNDING PROGRAM; PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED.

12. File 146-90-78. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Sexually Transmitted Disease Control Program, to apply for, accept and expend a grant of $1,383,101 from the Centers for Disease Control for sexually transmitted disease control. (Mayor)

ACTION: AMENDED TO PROVIDE FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN. NEW TITLE: "[Grant - Federal Funds] RESOLUTION AUTHORIZING THE DEPARTMENT OF PUBLIC HEALTH, COMMUNITY PUBLIC HEALTH SERVICES, SEXUALLY TRANSMITTED DISEASE CONTROL PROGRAM, TO APPLY FOR, ACCEPT AND EXPEND A GRANT OF $1,383,101 FROM THE CENTERS FOR DISEASE CONTROL FOR SEXUALLY TRANSMITTED DISEASE CONTROL." RECOMMENDED AS AMENDED.

13. File 146-90-63.1. [State grant] Resolution rescinding Resolution No. 723-90 and authorizing the San Francisco Department of Public Health, Community Public Health Services, Family Health, CHDP, to augment and expend funds in the total amount of $200,716 from the State Department of Health Services for Child Health and Disability Prevention Services. (Supervisor Walker)

ACTION: AMENDED TO PROVIDE FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN. NEW TITLE: "[State Grant] RESOLUTION RESCINDING RESOLUTION NO. 723-90 AND AUTHORIZING THE SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH, COMMUNITY PUBLIC HEALTH SERVICES, FAMILY HEALTH, CHDP, TO AUGMENT AND EXPEND FUNDS IN THE TOTAL AMOUNT OF $200,716 FROM THE STATE DEPARTMENT OF HEALTH SERVICES FOR CHILD HEALTH AND DISABILITY PREVENTION SERVICES; PROVIDING FOR RATIFICATION OF ACTION PREVIOUSLY TAKEN." RECOMMENDED AS AMENDED.

14. File 100-90-12. Hearing to consider the impact of the recent proposed budget cuts of the federal government on the various San Francisco programs. (Supervisor Kennedy)

ACTION: CONTINUED TO CALL OF THE CHAIR.

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CITY AND COUNTY OF SAN FRANCISCO

# BOARD OF SUPERVISORS

## BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

October 29, 1990

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**TO:** Finance Committee

**FROM:** Budget Analyst

**SUBJECT:** October 31, 1990 Finance Committee Meeting.

Item 1a - File 172-90-28

**Department:** Office of the Chief Administrative Officer (CAO), Convention Facilities Department

**Item:** Resolution approving a new contract between the Office of the Chief Administrative Officer and Facility Management Incorporated of California (FMI) for the management of the San Francisco Convention Facilities.

**Term of Contract:** Five Years - July 1, 1990 through June 30, 1995. Renewal options are to be included at the option of the City. Such renewal options cannot exceed five years per option.

**Description:** The proposed resolution would approve a new contract between the CAO and FMI for the management, operation and maintenance of Brooks Hall, the Civic Auditorium and Moscone Center. FMI has provided these services since 1981. The current contract is due to expire June 30, 1992.

The CAO reports that while the current contract with FMI is not due to expire until June 30, 1992, a new contract has been negotiated with FMI in order to (1) bring the contract into compliance with Internal Revenue Service (IRS) Code provisions and (2) incorporate the requirements for FMI to increase the scope of its management services to include the Moscone Center rooftop-expansion and the expansion of exhibit space just north of the Center.

According to Mr. Jack Moerschbaecher of the Office of the Chief Administrative Officer, the City's use of tax-exempt bonds to fund the Moscone Center expansion placed the City's current contract with FMI in non-compliance with IRS Code provisions, as follows:

1. The current contract provides that contract renewal options can be included in the contract at the option of FMI. According to Mr. Moerschbaecher, in order to be in compliance with IRS Code provisions, the contract must provide that the City, instead of FMI, has the option of including renewal options in the contract. Therefore, the proposed new contract stipulates that contract renewal options are to be included in the contract at the option of the City and not at the option of FMI. This proposed change would benefit the City because it would give the City control over any options to renew the contract.

2. Under the current contract, FMI receives an annual management fee plus an annual incentive fee based on an increase in the net profits to the City from the operation of the City's convention facilities. For FY 1990-91, the City is paying FMI a management fee of $200,000 and an incentive fee estimated at $180,000. Mr. Moerschbaecher advises that IRS Code provisions now prohibit the payment of an incentive fee to FMI based on net profit. The proposed new contract eliminates payment of an incentive fee to FMI and sets FMI's rate of compensation at $220,000 for FY 1990-91 with an annual increase of $10,000 per year for each succeeding year of the contract.

The Moscone Center expansion (rooftop and exhibit space) will add an additional 600,000 gross square feet of building area to the existing structure. Mr. Moerschbaecher reports that the Esplanade Ballroom (100,000 sq. ft.) at the Center's rooftop level is projected to be open by January, 1991. The exhibit space to the north of the Center is expected to be open by April, 1992.

**Comments:**

1. As noted above, IRS Code provisions now prohibit the payment of an incentive fee to FMI based on net profit. In consideration of this fact, Mr. Moerschbaecher advises that the proposed new contract provides for an expansion of FMI's concessionaire operations. Under the current contract, FMI receives profits from its operations as the sole concessionaire of food, beverage and merchandise sales at the City's convention facilities. FMI pays the City 30 percent of FMI's gross profits from food and beverage sales and 12 percent of FMI's gross profits from merchandise sales. Other services, such as telecommunications, booth-cleaning and the business center are operated by FMI for the City, with profits from those operations going to the City and the City paying FMI an annual incentive fee.

2. The proposed new contract would expand FMI's concessionaire operations to not only include food, beverage and merchandise sales, but to also include those other services, noted above that were previously operated by FMI for the City's profit (i.e., telecommunications, booth-cleaning, business center). FMI would receive profits from the sale of these services and would pay the City 20 percent of the first $2 million per year of gross sales and 25 percent of gross sales over $2 million per year. Mr. Moerschbaecher provides the following revenue projection of the net fiscal impact of this proposed change (in thousands of dollars):

Current Contract Revenues - Telecommunications, booth-cleaning, business center, etc. operated by FMI for City.

| | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | Five Year Total |
|---|---|---|---|---|---|---|
| City's Share | $453 | $471 | $490 | $509 | $529 | $2,452 |
| FMI's Share | 380 | 395 | 411 | 427 | 444 | 2,057 |
| Total Revenues* | $833 | $866 | $901 | $936 | $973 | $4,509 |

Proposed New Contract Revenues - FMI Operating as concessionaire for telecommunications, booth-cleaning, business center, etc.

| | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | Five Year Total |
|---|---|---|---|---|---|---|
| City's Share | $440 | $458 | $485 | $514 | $545 | $2,442 |
| FMI's Share | 393 | 408 | 425 | 442 | 459 | 2,127 |
| Total Revenues* | $833 | $866 | $910 | $956 | $1,004 | $4,569 |

*Thousands of dollars.

3. Mr. Moerschbaecher advises that the City's decrease in net revenue, under the proposed new contract, of $13,000 in 1990-91, ($453,000 less $440,000) $13,000 in 1991-92 ($471,000 less $458,000), and $5,000 ($490,000 less $485,000) in 1992-93 for a total of $31,000, is attributable to the increase in management fees paid to the FMI for the increase in the scope of management services associated with the Moscone Center expansion.

4. Mr. Ted Lakey of the City Attorney's Office reports that since the term of the proposed new contract has an effective start-up date of July 1, 1990, that the proposed legislation should be amended to read, a resolution approving the contract between the City and FMI, effective July 1, 1990, for the management of the San Francisco Convention Facilities.

**Recommendation:** Amend the proposed legislation to read, a resolution approving the contract between the City and FMI, effective July 1, 1990, for the management of the San Francisco Convention Facilities, and approve the legislation as amended.

Item 1b - File 25-90-26

**Department:** Board of Supervisors

**Item:** Resolution concurring with the Controller's certification that computer programming enhancements to the Board of Supervisors' mailing list system can practicably be performed by a private contractor at a lower cost than if similar work were performed by City employees.

**Services to be Performed:** The proposed computer programming enhancements would modify the current Board of Supervisors' mailing list system to allow users to perform the following functions:

1. Allow users to merge individual addresses from the current central mailing list into letter heads;
2. Allow users to create mailing list categories that would group mailing addresses into individual categories;
3. Allow users to sort mailing labels by zip codes and by categories; and
4. Allow users to track mass mailings

**Description:** The Controller has determined that contracting for these computer programming services for the Board of Supervisors' mailing list system would result in the estimated savings as follows:

| | Total Cost |
|---|---|
| City Operated Service | |
| Controller's Office<br>Information Services Division (ISD)<br>114 hours @ $49.25 per hour | $5,614 |
| Contracted Service | |
| Systemhouse, Inc.<br>Fixed rate | 3,950 |
| Estimated Savings | $1,664 |

**Comments:**

1. According to Mr. Mo Vazquez of the Board of Supervisors, the Department uses the current computer mailing list system to produce labels for mass Departmental mailings. Mr. Vazquez reports that prior computer programming services were provided by ISD on an as needed basis. However, the Department requests that the mailing list system be modified on a one-time basis to increase the productivity and efficiency of these mass Departmental mailings.

2. Mr. Vazquez states that Systemhouse, Inc. is a software development firm which is currently doing business with the City. The selection of Systemhouse, Inc. was done through a competitive bidding process.

3. Mr. Vazquez states that the computer programming services would be a one-time cost to the City and that the term of the contractual services would be approximately three weeks, commencing on the date that the proposed resolution is approved by the Board of Supervisors.

4. As required by Charter Section 8.300-1, the Controller has certified that these services can be performed by Systemhouse, Inc. for a lower cost than if similar work were performed by City employees.

5. The Controller's supplemental questionnaire, as completed by the Department, including the MBE/WBE status of this contract, is attached.

**Recommendation:** Approve the proposed resolution.

## CHARTER 8.300-1 (Proposition J) QUESTIONNAIRE

Department Board of Supervisors

Contract Services Computer Programming

For the term starting approximately Nov 1, 1990 through Nov 30, 1990

1) Who performed services prior to contracting out?

   Programming staff from Controller's ISD performs like services on an as-needed basis.

2) Number of City employees laid off as a result of contracting out?

   None.

3) Explain disposition of employees if they were not laid off

   Employees perform duties for other city departments.

4) What percent of a City employee's time is spent on services to be contracted out?

   Approximately three (3) man-weeks.

5) How long have the services been contracted out?

   This is a one-time project.

6) When was the first fiscal year for a Proposition J certification?

   Not applicable. This is a one-time project.

7) How will contract services meet the goals of your MBE/WBE Action Plan?

   It will conform with the plan.

Erasmo Vazquez
Department Representative

554-4909
Telephone

RY: ac(85GEN60)

Item 2 - File 97-90-46

Note: This item was continued from the Finance Committee's meeting of October 17, 1990.

**Department:** Department of Social Services (DSS)

**Item:** Ordinance amending Section 20.57 of the San Francisco Administrative Code, General Assistance Program, to add monthly eligibility and asset disregard provisions to the Income Disregard Program.

**Description:** In June of 1990, the Board of Supervisors approved legislation authorizing the establishment of a two-year pilot program to institute an Income Disregard Program for the General Assistance Aid program. At the time this ordinance was passed, the proposed program disregarded a portion of income only from the determination of eligibility of persons seeking General Assistance. The proposed ordinance would expand the Income Disregard Program to allow any savings (in addition to a portion of income), up to a maximum of $1,000 accrued by clients participating in the Income Disregard Program, to be disregarded in continued eligibility determinations by DSS.

Mr. Raymond Colmenar of DSS states that the proposed legislation would provide GA clients with greater ability to obtain permanent housing. DSS reports that many General Assistance clients do not have sufficient funds to pay rental deposits for the first and last months' rent and security, which are usually required to obtain permanent housing. DSS advises that allowing GA clients to save up to $1,000, without counting such savings in determining their eligibility for General Assistance, would give the clients the ability to pay rental deposits, thereby increasing the opportunity for GA clients to obtain permanent housing. Therefore, DSS requests that this amendment be approved in order to assist General Assistance clients in obtaining permanent housing.

**Comments:** 1. DSS had previously estimated that the Income Disregard Program would cost an additional $249,000 during the first full year of operation, and would cost a total of $773,400 for the two-year pilot period. However, DSS had anticipated that the Income Disregard Program would take four months to implement, and therefore projected an estimated cost of $166,000 for eight months of Fiscal Year 1990-91. DSS had also reported that all of the program costs would be paid from the General Assistance aid appropriation and could be absorbed

in the current 1990-91 budget appropriation for General Assistance.

2. Mr. Colmenar advises that DSS now expects the Income Disregard Program to begin December 1, 1990, which is one month later than the Department previously estimated. The one month delay is due to the additional time needed to finalize the Program's procedures and provide staff training. Based on a seven month period of operation between December 1, 1990 and June 30, 1991, DSS has projected an estimated cost of $145,250. This represents a reduction of $20,750 from the Department's previous estimates.

3. The Department was unable to accurately estimate the costs of the proposed amendment, but Mr. Colmenar states that the proposed amendment should not result in a significant increase in cost, because clients normally eligible for General Assistance usually do not have any savings that would affect their eligibility. However, once a person begins receiving General Assistance and participates in the Income Disregard Program, the General Assistance recipient would be allowed to save up to $1,000 without those savings being applied to the determination of continued eligibility for General Assistance aid payments.

4. It should be noted, however, that the Board of Supervisors also approved the establishment of an Income Disregard Reserve account in the 1990-91 budget in the amount of $200,000 for additional monies which might be needed for the Income Disregard Program.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 3 - File 64-90-38

Note: This item was continued from the October 24, 1990 Finance Committee Meeting.

**Departments:** Department of Public Health (DPH)
San Francisco General Hospital (SFGH), Paramedic Division
Real Estate

**Item:** Resolution authorizing a new lease of real property

**Location:** 2789-25th Street (first floor, mezzanine and a portion of the second floor)

**Purpose of Lease:** Expand and consolidate the Paramedic Division operations

**Lessor:** Plant Properties, Inc.

**No. of Sq. Ft. and Cost per Month:**

| | Initially | After Phase I Renovation | After Phase II Renovation |
|---|---|---|---|
| Square Footage | 38,379 | 38,379 | 38,379 |
| Cost per Square Foot per Month | $0.64 | $1.28 | $1.52 |
| Monthly Cost | $24,491 | $48,938 | $58,383 |
| Annual Cost | $293,892 | $587,256 | $700,596 |

In addition to the rental cost increases resulting from Phase I and Phase II Renovations, as shown above, the proposed lease agreement would provide for an additional five percent increase in rental fees in 1992.

**Term of Lease:** The proposed lease would commence on the date the proposed legislation is approved by the Board of Supervisors and would expire June 30, 2000.

**Right of Renewal:** 10-year term with no options to renew

**Lease/ Purchase Option:** The City has the option to purchase the property through June 30, 1999 as well as the option to lease the remainder of the second floor, the entire third floor and the remaining parking area should they become available during the term of the lease.

Utilities and Janitor Services Provided by Lessor: The City would pay for gas, water, sewer charges, refuse, separately metered electricity and provide janitorial services. Existing Hospital personnel, now assigned for janitorial services would be utilized for the new space. The estimated cost for all utilities is approximately $.09 per square foot per month.

Source of Funds: SFGH Operating Fund. Funds have been appropriated in the 1990-91 budget for the move and the rental costs for the new paramedic facility.

Comments:

1. The proposed resolution would authorize the Paramedic Division to lease the first floor, mezzanine and a portion of the second floor of the building at 2789-25th Street as well as a parking structure which is adjacent to the building. The Paramedic Division currently operates out of two City-owned facilities. The Paramedic Division's administrative headquarters and Ambulance Communication Medical Dispatch Center (CMED), occupy 3,000 sq. ft. of space at 135 Polk Street and the Division's ambulance deployment and resupply functions occupy 2,700 sq. ft at the Park Emergency Hospital Station in Golden Gate Park. The Paramedic Division consists of nearly 200 employees with 23 vehicles and handles supply operations for 60,000 ambulance runs per year. The Paramedic Division also operates the CMED, conducts classroom training, maintains vehicles and equipment, and provides storage for medical records.

2. The Board of Supervisors recently approved a jurisdictional transfer between SFGH and the Recreation and Park Department (Resolution 199-90-2) whereby the Paramedic Division will vacate the Park Emergency Hospital Station. According to Ms. Kathy Murphy of SFGH, the Paramedic Division's largest concern with the Park Emergency Hospital Station is its location in Golden Gate Park. Ms. Murphy adds that due to this location the Paramedic Division experiences difficulties in responding to approximately 70 percent of the calls which are located across town, in the Mission District. In addition, the Paramedic Union has recently filed a grievance against the City for inadequate working conditions at the Park Emergency Hospital Station involving issues such as overcrowding and the run-down conditions of the building.

3. Ms. Murphy reports that 135 Polk Street may not be seismically safe and that the CMED emergency dispatch operations would be interrupted in the event of an earthquake. Ms. Murphy states that the administrative and the CMED staff at 135 Polk Street are also overcrowded due to the shared occupancy with the Dr. Tom Waddell Clinic, a clinic which provides outpatient services to the homeless with Aids. According to Ms. Murphy, the Dr. Tom Waddell Clinic is currently expanding its services and eventually the Dr. Tom Waddell Clinic will occupy the existing office space of the administrative and CMED staff.

4. According to Ms. Murphy, the proposed new facility at 2789-25th Street would provide for the following needs of the Division:

- Seismic structural safety for the Division and the CMED staff to insure emergency services during and after an earthquake.
- Adequate space to consolidate operations and enhance working conditions.
- Improve ambulance efficiency by positioning the Division where approximately 70 percent of the ambulance calls originate.
- Allow interaction between the Division and SFGH due to the facility's close proximity to SFGH.
- Improved protection of vehicles and equipment (the first floor of the facility is an enclosed garage for ambulances).
- Closer access to the Central Shop used for ambulance maintenance and refueling, therefore increasing ambulance availability and response time.
- An adjacent parking structure for 45 staff vehicles.

5. The proposed new facility would require renovations that would be completed in two Phases. Ms. Claudine Venegas of the Real Estate Department reports that the renovations would be completed by Plant Properties, Inc. at a total cost of $2,283,709, at no initial expense to the City. The Phase I and Phase II Renovations would commence simultaneously on the date that the proposed legislation is approved by the Board of Supervisors. Ms. Venegas anticipates the renovations could begin approximately November 1, 1990 and that the Phase I Renovations would continue for a maximum of 180 days or until April 30, 1991. Phase I Renovations would include the interiors of the building only and are estimated to cost $1,574,469. At the completion of the Phase I Renovations, the City is obligated to pay an increased monthly rental fee of $24,447 for a total of $48,938 per month. Phase II Renovations

would continue during this period and will require a maximum of 45 additional days to complete, or until June 14, 1991. Phase II Renovations would include substantial renovation of the parking structure adjacent to the building and is estimated to cost $709,240. At the completion of Phase II, and until the expiration of the term of the lease, the City would pay the proposed monthly rental fee of $58,383 an additional increase of $9,445 per month.

6. Based on the total renovation cost of $2,283,709 and the increased annual rental cost to the City of $406,704 after the renovations are completed ($700,596 annual rental cost after Phase II renovations are completed less $293,892 initial annual rental cost), the total cost of the renovations would be fully amortized over an approximately 5.5 year period.

7. Ms. Murphy states that the Paramedic Division would not begin moving into the facility until after the completion of the Phase I Renovations or approximately April 30, 1991. However, the initial rental fees of $24,491 per month would begin on the date that the proposed legislation is approved by the Board of Supervisors, or approximately early November, 1990. Therefore, during the first approximately six months while the renovations are being completed on the interior of the building, DPH would pay the lessor a total of approximately $146,946 before DPH moves into the proposed space.

8. The proposed resolution would also allow for a five percent increase in rental fees effective in 1992. Ms. Venegas reports that this is an acceptable increase in rental fees. Ms. Venegas adds that the initial rent and the increases due to the renovations are reasonable rental fees.

9. It should be noted that the Phase II renovations, estimated to cost $709,240, are specifically designed to provide an adjacent parking structure for 45 staff vehicles. This parking facility is in addition to the proposed first floor of the main building which would contain an enclosed garage for the City's ambulances. According to Ms. Venegas, the proposed adjacent parking structure would contain approximately 20,000 square feet of space. At an eventual cost of $1.52 per square foot per month, this employee parking structure will cost the City $30,400 per year. According to Ms. Murphy, because of the difficulty of finding parking spaces in the adjacent neighborhood streets, the proposed parking structure will be designed to provide parking spaces for all DPH staff at the new facility. Ms. Murphy adds that there

are no current plans to charge employees for these parking spaces.

10. The Budget Analyst notes that the City of San Francisco has adopted a Transit First policy. Furthermore, the Budget Analyst questions the policy of the DPH in providing free employee parking at an annual cost to the City of $30,400. The Budget Analyst notes that based on the 45 parking spaces to be provided at a total cost of $30,400 per year, each employee would need to reimburse the DPH $675 per year to recover the rental cost of this proposed employee parking facility. This $675 annual parking fee represents an employee monthly fee of $56. To continue to fully recover the cost of the parking, these rates would need to be further adjusted in 1992, when the proposed lease is scheduled to increase by an additional five percent.

11. Ms. Venegas reports that due to the unique nature of the renovations, the City has requested the option to purchase the property through June 30, 1999. An option to purchase has been included in the proposed lease agreement. Ms. Venegas adds that on the date that the City decides to exercise their option to purchase the facility, the purchase price will be determined by three independent appraisers. The option included in the purchase agreement would require the City to provide for the cost of the first appraiser. Plant Properties, Inc. would provide for the cost of the second appraiser, and the cost of the third appraiser would be shared between both the City and Plant Properties, Inc. The purchase price of the facility would then be established by these three independent sources which would assure that the cost of the facility would represent the fair market value of the facility on the date of the purchase. However, the appraised value will include the increased value attributable to the improvements, which the City will compensate the owner for through increased rent during the time the property is leased. No consideration of such compensation paid by the City is specified in the terms of the purchase option of the proposed agreement.

The purchase price, if the option to purchase is exercised by the City, would be reduced by the amount of the real estate transfer tax that would otherwise be paid. Under both the State Revenue and Taxation Code and the local ordinance, real estate transfer taxes are not paid for transactions involving the purchase of property by governmental agencies. Therefore, this provision protects the City from overpaying since the City's General Fund would not receive any revenue from this real estate transaction. (Under the State Revenue and Taxation Code and the local ordinance, transactions

involving properties sold by governmental agencies are subject to transfer taxes. Such taxes are usually paid by the buyer as part of the purchase price.)

The proposed lease also includes the option to lease additional space (the remainder of the second floor, the entire third floor and the remaining parking area) now leased by an architectural firm.

12. The Real Estate Department uses a space guideline per employee factor of between 125 and 200 square feet adjusted for special needs of the operation. The working space includes the area for desks, chairs, file cabinets and a pro rata portion of the common areas of a building that are shared and used by all employees. The Real Estate Department's calculations for the actual space per employee currently needed and the proposed space per employee are as follows:

| | 135 Polk St. Admin. and CMED | Park Emergency Hospital Station | Proposed 2789-25th Street Facility |
|---|---|---|---|
| Usable Space (Sq.Ft.) | 3,000 | 2,700 [A] | 38,379 [B] |
| Add Approximate Common Use Space (15 Percent) | 450 | 405 | n/a |
| Less Ambulance Parking Space | n/a | n/a | 12,295 |
| Total Space (Sq.Ft.) | 3,450 | 3,105 | 26,084 |
| Employees | 46 | 132 | 178 |
| Space Per Employee (Sq.Ft.) | 75 | 24 | 147 |

13. The Budget Analyst has recalculated the average space per employee at the proposed new facility for administration and CMED based on the following other considerations:

- The 132 Paramedic employees spend most of their working hours in the field and therefore do not have the same space requirements as office employees, upon which the 147 sq. ft. average is based.
- CMED is a 24-hour operation, seven days a week. Therefore, although there are a total of 20 CMED dispatchers, there are only five dispatch consoles in operation at any one time.

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[A] Does not include outside parking space for ambulances.

[B] Includes inside garage space for parking ambulances and all common use spaces.

- CMED staff require additional space for clerical duties away from the dispatch consoles.
- The space for medical records currently stored in the basement at 135 Polk Street was not included in the prior calculations but is part of the proposed facility.
- First floor and mezzanine space at the proposed new facility will be used exclusively for ambulance parking and paramedic related activities which should not be included in comparisons of "office" space.

The Budget Analyst's recalculations are as follows:

| | |
|---|---|
| Total space at proposed new facility | 38,379 sq. ft. |
| Less: First floor and mezzanine space devoted to ambulance parking and other paramedic related activities | 22,977 sq. ft. |
| Conference and training rooms (excluded from sq. ft. guideline comparisons) | 2,976 sq. ft. |
| Space for medical records storage, for special electronic equipment for dispatch services and for extra hallways necessitated by location of existing tenant and elevators and stairways | 2,974 sq. ft. |
| Net space used by administration and CMED | 9,452 sq. ft. |
| Divide by number of workstations for administrative and CMED staff | ÷ 45 |
| Net space per administrative and CMED workstation that is comparable to sq. ft. guideline | 210 sq. ft. |

It should be noted that the average of approximately 210 sq. ft. per administrative and CMED workstation, including common area space (such as hallways, restrooms, stairs and breakrooms), is at the upper end of the square footage guideline used by the Real Estate Department.

14. The Real Estate Department has provided the attached "Analysis" of the office and dispatch spaces at 2789 - 25th Street. This revised analysis (the Real Estate Department initial analysis compared total square feet to total personnel) indicates that office space is 4,627 square feet and dispatch space is 612 square feet net of any common use space. The Real Estate Department then adds a 15 percent factor for common use space which adds 694 square feet to the office space and 92 square feet to the dispatch room space for a total of 5,321 square feet and 704 square feet respectively. The Real Estate Department then divides these total space requirements by the number of office workstations (45) and the number of dispatchers (five) to obtain the average space per workstation.

The Budget Analyst notes that of the total 15,402 square feet on the second floor that would be leased, the Real Estate Department has accounted for only 6,025 square feet consisting of 5,321 square feet for office space and 704 square feet for dispatchers based on a fixed common use factor (load factor) of 15 percent. The Real Estate Department has not analyzed the 9,377 square feet balance of space being leased on the second floor that would not be used for offices, dispatchers or common use (load factor) space. If this unaccounted for 9,377 square feet of space is not needed, it should not be leased.

15. According to Ms. Murphy, the unaccounted additional space would be used for the following:

- Three classrooms
- Storage for training
- Storage for office supplies
- Computer data storage
- Medical records
- Restrooms
- Mechanical room
- Photocopy room
- Lounge room
- Lunch room
- Conference room
- Disaster conference room
- Operations conference room
- Reception area
- Waiting room

16. According to Dr. Charles Saunders of the Paramedic Division, the proposed new facility was selected primarily because of the following factors:

- The location of the facility which is in close proximity to both SFGH and the Mission District (where approximately 70 percent of emergency calls originate).

- The Paramedic Division, according to Dr. Saunders, is obligated to consider taking over the billing function for ambulance services which could result in the need for additional space for additional employees in the proposed new facility.

- The Paramedic Division is planning to expand their training functions.

- During an emergency, such as the October 17, 1989 earthquake, the CMED dispatch center becomes a command center that requires working space for more than double the normal staff level.

- The building configuration (the elevator is in the center) requires an above average use of the hallways.

17. As previously mentioned, the Paramedic Division is currently occupying City-owned facilities at 135 Polk Street and the Park Emergency Hospital at no additional cost to the City. In comparison, under the proposed resolution, the annual initial rental cost to the City for the Paramedic Division would increase to $293,892. These annual rental costs will increase to an annualized $587,256 after Phase I renovations are completed in April 1991, and to an annualized cost of $700,596 after the Phase II renovations are completed by June, 1991. The proposed lease includes 45 employee parking spaces at a rental cost of $30,400 per year to be provided at no cost to the employees.

**Recommendation:** The proposed resolution authorizing the Paramedic Division to a new lease of real property at 2789-25th Street, which would result in an increase in space of 32,679 square feet and an increase in annual rental costs of $700,596 by June 1991, and which includes a 45 space employee parking facility at a cost of $30,400 to the City and no cost for the employees and a purchase option that does not take into account the rental payments made by the City to the owner for the cost of improvements, is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

2789 25th Street

Analysis

| | | |
|---|---|---|
| Square footage of offices only | | 4,627 Sq.Ft. |
| Add: Load factor of 15% | | + 694 |
| Total square footage of offices | | 5,321 Sq.Ft. |
| Divide by number of workstations for Administrative and CMED staff Space per Admin. and CMED workstations that is comparable to Real Estate's Guideline per employee of 125-200 sq.ft. | divide by | 45 |
| | | 116 Sq.Ft. |

Average office area is 101 sq.ft.
Main office area is 120 sq.ft.

| | | |
|---|---|---|
| Square footage of dispatch room only | | 612 Sq.Ft. |
| Add: Load factor of 15% | | + 92 |
| Total square footage of dispatch room only | | 704 Sq.Ft. |
| Divide by five dispatchers | divide by | 5 |
| Space per dispatcher | | 141 Sq.Ft. |

Comparison to other counties with comparable number of employees:

| County | Total Dispatch Area | Total Sq.Ft./Dispatcher |
|---|---|---|
| Alameda | 1,100 Sq.Ft. | 200 Sq.Ft. |
| Marin | 3,000 " " | 600 " " |
| San Mateo | 1,000 " " | 200 " " |
| Contra Costa | 1,500 " " | 300 " " |

Average Dispatch Area = 1,650 Sq.Ft.

Note: Volume in three of four counties is smaller than San Francisco.

CV:avd/2292

Item 4 - File 97-90-45

**Note:** This item was continued from the October 24, 1990 Finance Committee Meeting.

**Department:** Recreation and Park Department

**Item:** Ordinance amending the Administrative Code, by amending Section 16.6-16, to add sixteen new organizations to the membership list of the Recreation and Park Commission.

**Description:** The proposed ordinance would amend Section 16.6-16 of the Administrative Code to add sixteen new organizations to the membership list of the Recreation and Park Commission, as listed below:

| | Annual Membership Fee |
|---|---|
| 1. California Travel Industry Association | $ 100 |
| 2. Captive Breeding Specialist Group of the International Union for Conservation of Nature (IUCN) | 3,000 |
| 3. San Francisco Chamber of Commerce | 300 |
| 4. San Francisco Convention and Visitors Bureau | 350 |
| 5. Golden Gate Industrial Recreation Council (IRC) | 100 |
| 6. Hotel Management Sales Association | 200 |
| 7. International Society of Special Events | 200 |
| 8. Madagascar Fauna Captive Propagation Group | 9,000 |
| 9. Meeting Planners International | 250 |
| 10. National Tour Association | 1,300 |
| 11. Northern California Concierges Association | 100 |
| 12. Northern California Passenger Transportation Association | 100 |
| 13. North California Tour Travel Network - Oakland Industrial Recreation Council (IRC) | 100 |
| 14. S.F. Bay Area Society of Association Executives | 250 |
| 15. Travel Industry of America Association | 950 |
| 16. Tri-County Industrial Recreation Council (IRC) | 100 |
| Total | $16,400 |

Comments:

1. Ms. Etai Chen, of the Recreation and Park Department, reports that the Department has $4,400 appropriated in its FY 1990-91 budget to fund membership fees for 14 of the 16 organizations. Ms. Chen advises that the Department has received $12,000 in funds from the San Francisco Zoological Society to fund the Department's membership fees in the remaining two organizations, the IUCN ($3,000) and the Madagascar Fauna Captive Propagation Group ($9,000).

2. However, Ms. Chen advises that the Department does not anticipate receiving funds from the Zoological Society after this fiscal year. Therefore, the Department intends to request funding for the IUCN and the Madagascar Fauna Captive Propagation Group, in its 1991-92 Departmental budget request.

3. The Recreation and Park Department reports that membership in the IUCN and the Madagascar Fauna Captive Propagation Group allows the Zoological Gardens to coordinate with international breeding activities and captive programs. The Department advises that the benefit to the City is international cooperation and recognition, receipt of animals, and a place to send some staff for valuable field experience.

4. Ms. Chen reports that acquiring memberships in the 14 organizations, at an annual cost of $4,400, will allow the Recreation and Park Department to expand its promotional and advertising activities in order to enhance usage of the Department's facilities and services. According to Ms. Chen, the Recreation and Park Department's membership in the organizations would allow the Department to have access to each of the organization's members, their publications and to event coordinators.

5. The Recreation and Park Commission is currently authorized by the Administrative Code to maintain memberships in 51 organizations. The proposed ordinance would allow the Commission to establish membership in an additional 16 organizations, bringing the total number of organizations to 67.

6. As noted above, the Board of Supervisors has previously appropriated the $4,400 for the annual membership fees needed for 14 of the 16 new memberships. Additionally, the Recreation and Park Department has received $12,000 in outside funding for the remaining two organizations. The proposed ordinance would formally identify these 16 new memberships in the Administrative Code.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

proposed ordinance would formally identify these 16 new memberships in the Administrative Code.

7. It should also be noted that the Board of Supervisors approved a 71.56 percent reduction in the 1990-91 membership expenditures for all General Fund supported departments. However, Ms. Chen reports that the Recreation and Park Department's membership fees are funded by the Department's Special Recreation and Park Revenue Fund. As such, the Recreation and Park Department reports that the Board of Supervisors approval of a 71.56 percent budgetary reduction in membership fees for the other City departments, financed with General Fund monies, did not apply to the Recreation and Park Department.

8. The San Francisco Convention and Visitors Bureau receives an annual allocation from the City's Hotel Room Tax Fund. For FY 1990-91, the Bureau's allocation is in the amount of $4,933,330. Since the City is providing a substantial subsidy to the Convention and Visitors Bureau, the Budget Analyst believes that the City should not be charged a fee for membership ($350) in this organization. Therefore, the Budget Analyst recommends that the proposed legislation be amended to state that "no membership fee" would be paid to the San Francisco Convention and Visitors Bureau.

9. The Budget Analyst has determined that the San Francisco Public Library currently has a membership with the San Francisco Chamber of Commerce. Therefore, if the Board of Supervisors gives approval, the Recreation and Park Department membership would be the second City department to establish an individual departmental membership with the Chamber of Commerce at an annual cost of $300. The Budget Analyst believes that rather than individual departments establishing memberships with the Chamber of Commerce, that it would be more appropriate to establish a City-wide membership, which would provide access to the Chamber of Commerce for all interested City departments. Such membership could be coordinated through a central City department such as the Office of Chief Administrative Officer or the Mayor's Office.

10. The elimination of the $350 annual membership fee for the San Francisco Convention and Visitors Bureau and the $300 annual membership fee for the San Francisco Chamber of Commerce would reduce the Recreation and Park

Department's annual membership fees by an additional $650 from $4,400 to a total annual cost of $3,750.

11. The Recreation and Park Department has submitted an amendment to the whole to this proposed legislation which reflects a corrected listing of 51 current membership organizations plus 16 additional organizations for a total of 67 organizations.

**Recommendations:** 1. Should the Board of Supervisors decide to approve the proposed ordinance, the ordinance should be amended to state that "no membership fee" would be paid to the San Francisco Convention and Visitors Bureau.

2. Approval of the proposed ordinance, to (1) amend the Administrative Code to add the sixteen new organizations to the membership list of the Recreation and Park Commission and (2) permit individual departmental memberships in the San Francisco Chamber of Commerce, is a policy matter for the Board of Supervisors.

Item 5 - File 32-90-3

**Item:** Ordinance amending Ordinance No. 105-64 by amending Section 8, relating to Cable Television Franchise, to delete the matching fund requirement for public access funding.

**Description:** Section 8(a) of the City's existing No. Ordinance 105-64 outlines the method and the level of compensation that the City is to receive from the City's Cable Television Franchise. The existing legislation, stipulates that the Cable Television Franchise will pay to the City a franchise fee based on five percent of its total gross receipts from cable television customers. Of the five percent franchise fee, 4.8 percent is deposited into the City's General Fund and the remaining 0.2 percent is deposited into the City's Cable Television Access and Development Fund, to be used for public, educational and municipal access activities.

Section 8 (a) also provides that the City is to contract with a non-profit corporation for the provision of public access activities and that the contract is to be funded by not less than one-third of the 0.2 percent portion of the City's five percent franchise fee. As a condition of the non-profit corporation being eligible for receipt of the City funds, the legislation currently provides that the non-profit corporation must provide a 100 percent match to the funds provided by the City. The proposed ordinance would delete the requirement that the nonprofit corporation provide a match to the City funds.

**Comments:** 1. The City currently contracts with San Francisco Community Television Corporation, a non-profit organization, for public access activities. The City has contracted with this Corporation for the provisions of public access activities since 1988. The Corporation's services are aimed at promoting and encouraging the use of community access to cable television channels to serve the needs of citizens, civic organizations, cultural and arts organizations, ethnic and minority groups and other community users in San Francisco. Additionally, the Corporation advises the Board of Supervisors on matters pertaining to public access. The Board of Supervisors has a total amount of $85,000 included in its 1990-91 Departmental budget to fund this contract.

2. Ms. Martha Schmidt, Director of the San Francisco Community Television Corporation reports that in FY 1989-90, the Corporation was only able to raise sufficient funds to provide a one-third match to the approximately $31,000 in funds provided by the City. Therefore, the Board of Supervisors approved an amendment to Section 8(a) of

Ordinance No. 105-64 which permitted the Corporation to provide a match of one-third instead of 100 percent of City funds for FY 1989-90 (File 32-89-3). Ms. Schmidt advises that the Corporation has raised approximately $1,000 in funds thus far this fiscal year. Ms. Schmidt adds that the Corporation is in the process of exploring various fund raising options. According to Ms. Schmidt the Corporation is limited in its ability to raise funds because (1) the Corporation, having been established in 1988, is relatively new and has not yet established a track record (2) the lack of available grant funds for basic operational costs, (3) potential grantors have expressed the opinion that as a contractor to the City, the Corporation should receive funds for its basic operational cost from the City. Additionally, Ms. Schmidt reports that most agencies nationwide, that provide public access activities, receive almost 100 percent of their operating costs from franchise fees paid directly by the Cable Television Franchise operator or from those franchise fees that accrue to the local jurisdiction.

3. The City received $2,317,153 in franchise fees for FY 1989-90 from Viacom the City's current Cable Television Franchise. Of the $2,317,153 received by the City in franchise fees $92,686 was deposited in the Cable Access and Development Fund to be used for public, educational and municipal access. The balance of these funds, or $2,224,467, was deposited in the General Fund.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Items 6 and 7 - Files 97-90-50 and 100-90-1.3

**Items:** Ordinance amending the Administrative Code, Chapter 10, Article XV, Section 10.169-7, to increase the amount of the Animal Care and Control Department's Cash Revolving Fund from $2,000 to $5,000 (File 97-90-50).

Release of reserve funds, in the amount of $5,000 (File 100-90-1.3).

**Description:** Under the proposed ordinance (File 97-90-50) the Animal Care and Control Department's Cash Revolving Fund would be increased by $3,000 from the current $2,000 to $5,000. The Animal Care and Control Department reports that the Cash Revolving Fund is used for miscellaneous immediate expenditures and for reimbursement of spay/neuter deposit funds.

Mr. Carl Friedman of the Animal Care and Control Department reports that its Cash Revolving Fund needs to be increased because when a person adopts an animal, in accordance with State law, the person must leave a $20 spay/neuter deposit with the Animal Care and Control Department. These funds are deposited into a separate subobject account within the Animal Welfare and Control Fund. When the person who adopted the animal brings a certificate of proof from a veterinarian that the animal has been spayed/neutered, then the $20 deposit is returned to the individual. These reimbursements are presently being made from the Department's Cash Revolving Fund.

The Controller's Office replenishes the Cash Revolving Fund from existing budgeted funds from the Animal Care and Control Department, as specific expenditures are reported by the Department to the Controller's Office. According to Mr. Friedman, there are insufficient available funds to reimburse persons for these spay/neuter fees, without constantly replenishing the Cash Revolving Fund. Mr. Friedman reports that a total of approximately 236 spay/neuter certificates have been submitted for reimbursement, at a rate of $20 each, thus far for this fiscal year, for a total of $4,720.

**Comments:**

1. The Finance Committee previously reserved a total amount of $5,000 during the 1990-91 budget process for the Animal Care and Control Department's Cash Revolving Fund. The Finance Committee placed these funds on reserve pending the Department's request to the Board of Supervisors, to amend the Administrative Code, to increase the amount of the Cash Revolving Fund from $2,000 to $5,000 (File 97-90-50).

2. The proposed ordinance and request for release of reserve funds are consistent with the actions previously adopted by the Board of Supervisors in the 1990-91 budget.

**Recommendations:**

1. Approve the proposed ordinance (File 97-90-50) amending the Administrative Code to increase the amount of the Animal Care and Control Department's Cash Revolving Fund from $2,000 to $5,000.

2. Approve the release of reserve funds in the amount of $5,000 (File 100-90-1.3).

Memo to Finance Committee
October 31, 1990

Items 8 and 9 - Files 101-90-24 and 64-90-40

**Department:** Mayor's Office, Employee Relations Division

**Item:** Item 8 (File 101-90-24) is a supplemental appropriation ordinance request reappropriating $20,832 of funds from permanent salaries to rental of property for the sublease of space at 1390 Market Street, Suite 235.

Item 9 (File 64-90-40) is the proposed companion resolution authorizing a sublease of real property at 1390 Market Street, Suite 235.

**Location:** 1390 Market Street, Suite 235

**Purpose of Sublease:** Office space for Mayor's Office, Employee Relations Division

**Sublessor:** Combs and Greenly, Inc.

**No. of Sq. Ft. and Cost per Month:** 2,970 square feet @ $1.28/sq. ft./month = $3,799/ month

**Annual Cost:** $45,588

**% Increase Over 1989-90:** This sublease is new.

**Utilities and Janitor Services Provided by Lessor:** All services provided by the lessor.

**Term of Lease:** November 1, 1990 through May 31, 1994 (3 years and 7 months)

**Right of Renewal:** None

**Source of Funds:** The proposed Item 8 (File 101-90-24) would reappropriate funds from the 1990-91 Mayor's Office budget, permanent salaries, to rental of property.

**Description:** 1. The Employee Relations Division (ERD) in the Mayor's Office currently leases Suite 250 at 1390 Market Street, which comprises 913 square feet of office space at $1,196 per month ($1.31/sq. ft./month), which is equal to an annual cost of $14,352. This space is part of a larger lease of Mezzanine space at 1390 Market Street, which includes space rented by the City Attorney's Office and the Department of Public Works. The entire existing lease is scheduled to expire December 31, 1993.

2. The ERD proposes to move out of Suite 250 and sublease 2,970 square feet of office space in Suite 235, 1390 Market Street, beginning November 1, 1990, from Combs and Greenly, Inc., a Court Reporting firm. Combs and Greenly is currently leasing the Suite 250 space from Calfox, the owners of the building. ERD would essentially assume the rental payments on the lease through the remainder of the lease term, which is scheduled to expire May 31, 1994. The proposed sublease of space would cost $3,799 per month ($45,588, annually) to rent and would include two large conference rooms, storage rooms, a coffee bar, four individual office spaces as well as unenclosed office space.

3. According to Ms. Maggie Jacobsen, Director of the Employee Relations Division, the current leased space in Suite 250 is inadequate to accommodate the Employee Relations Division, which has increased in size from five full-time authorized positions, which includes the Whistleblower Program approved by the Board of Supervisors, to seven full-time authorized positions. Of the seven positions, two positions are new in the 1990-91 budget and have yet to be filled.

4. Ms. Jacobsen reports that the ERD, in serving the needs of the City's employees in handling grievances as well as representing the City in labor negotiations, requires regular use of private conference rooms to conduct negotiations with employee representatives. Currently, ERD borrows conference rooms located at the War Memorial and the Public Utilities Commission, when they are available. The ERD periodically uses a small conference room in offices leased by the City Attorney. The new subleased space of 2,970 square feet at Suite 235 would include approximately 812 square feet for two large conference rooms, which would be used in labor negotiations and training of City administrators in handling grievances and due process requirements of the law, leaving a remaining 2,158 square feet of office space.

5. The ERD also requires storage space for files related to labor negotiations. Ms. Jacobsen states that the ERD is required by law to maintain files on labor negotiation in a secure place. Currently, the ERD does not have any file storage space. Some of ERD's files are stored in an existing conference room in space leased by the City Attorney. Other files are located in storage space in the building subleased by the Law Firm of Liebert, Cassidy, and Frierson from the Budget Analyst. The proposed 2,970 square feet of subleased

space would also provide for 164 square feet of enclosed storage space for ERD's files.

6. Therefore, the balance of office space remaining would be 2,158 square feet, as noted above, less 164 square feet for storage space, or a balance of 1,994 square feet of office space in Suite 235. In addition, the lease provides for 109 square feet of coffee bar space. Reducing that space from the 1,994 square feet leaves 1,885 square feet of space allocated for offices. The allocation of the subleased office space for the proposed new sublease in Suite 235 is summarized as follows:

| | Square Feet |
|---|---|
| Conference room space | 812 |
| File storage space | 164 |
| Coffee bar space | 109 |
| Office space | 1,885 |
| Total space to be subleased | 2,970 |

7. The projected eight-month cost, from November 1, 1990 to June 30, 1991, for the new sublease is $30,392 (eight months times $3,799). According to the Controller's Office, the ERD currently has a balance of $9,560 budgeted for rental of property for fiscal year 1990-91. ERD is proposing that this amount would be applied to the cost of the proposed sublease.

8. The ERD proposes to pay for the remainder of the sublease by reappropriating the amount of $20,832 from its 1990-91 budget for permanent salaries (Item 8 - File 101-90-24). Ms. Jacobsen states that ERD is able to reappropriate these funds from permanent salaries because the two new positions for ERD, which was approved in the 1990-91 budget, have not been filled yet. The ERD would use the salary savings associated with these two positions to pay for the increased office rental costs. The cost of the proposed sublease and the proposed use of the reappropriated salaries are summarized as follows:

| | | Amount |
|---|---|---|
| Cost of proposed sublease in Suite 235 ($3,799/month x 8 months) | | $30,392 |
| Sublease Cost to be paid by: | | |
| 1990-91 Budget amount included in the Mayor's Office budget for ERD for rental of Suite 250 ($1,196/month x 12 months) | $14,344* | |
| Less rental payments already made by ERD for four months (July through October) on current Suite 250 lease | 4,784 | |
| Balance of budgeted funds available for sublease at Suite 235 | 9,560 | |
| Proposed reappropriation of funds from 1990-91 permanent salaries budget (Item 8 - File 101-90-24) | $20,832 | |
| Total funds available for sublease | | 30,392 |

* The amount budgeted is slightly less ($8) than the actual rental cost of Suite 250.

**Comments:**

1. Mr. Gerald Romani of the Department of Real Estate advises that the rental rate of $1.28/square feet/month at Suite 235 is considered the fair market value for the sublease.

2. Ms. Jacobsen states that labor negotiations which may involve as many as 60 union and management representatives, require large conference and meeting rooms in which labor and management negotiators may meet for long periods of time. The additional space for the conference rooms and coffee bar would allow ERD to conduct employee negotiations on-site and provide sufficient facilities for breaks in the negotiations, without the need to borrow conference facilities around the City. Ms. Jacobsen adds that having available conference space on-site in the offices allows for greater access to office phones and copying facilities, which the negotiators may use.

3. Ms. Jacobsen also points out that Measure D, which is on the November ballot, would require collective bargaining for salaries of Police and Fire Department personnel. If San Francisco voters approve this measure, Ms. Jacobsen advises that the ERD would require additional resources and staff to oversee the collective bargaining agreements, and therefore would need the greater amount of office space at Suite 235, as well as the conference rooms. ERD staff have not yet

determined what costs, if any, would result from the passage of Measure D.

4. Mrs. Jacobsen further states that space is needed to maintain a library of reference materials on labor law and labor relations, which the current office space does not have. The proposed subleased space would have sufficient room for placement of reference materials on labor law and labor relations.

5. With a current staffing level of five persons, ERD's current amount of existing office space of 913 square feet in Suite 250 is equivalent to approximately 183 square feet per person. In comparison, the proposed new 1,885 square feet of office space at Suite 235, to be subleased by ERD (excluding conference, file storage, and coffee bar space), would be equivalent to 269 square feet per person for seven employees. As previously noted, ERD has not yet hired two of these seven employees.

6. Under the current lease at Suite 250, the ERD would pay $14,352 per year in rental costs for 913 square feet. Under the proposed sublease, the ERD would pay $45,588 on an annual basis for 2,970 square feet, an increase of $31,236 over the 1990-91 rental cost. To continue the proposed sublease, the increased costs would be requested in the Mayor's ERD 1991-92 budget.

7. In addition, because the leased space in the City Attorney's Office is part of one large lease, the City would still be responsible to continue to pay the $14,352 in rent on the 913 square feet of space in Suite 250 to be relinquished by ERD. According to Ms. Jacobsen and Mr. Romani, either the City Attorney, or the Department Public Works, or both, would use the space vacated by the ERD and pay that annual rent of $14,352 now being paid by ERD.

**Recommendation:** Approval of the proposed sublease, which would increase the space for the Employee Relations Division (ERD) from 913 square feet at Suite 250 to 2,970 square feet at Suite 235, increase the annual rent of ERD from $14,352 to $45,588, and at the same time, have the City continue to pay for the lease at Suite 250 to be relinquished by ERD at an annual cost of $14,352, is a policy matter for the Board of Supervisors.

Item 10 - File 65-90-7

**Department:** Mayor's Office of Housing
Real Estate Department
County Agricultural Department

**Item:** Resolution authorizing and approving execution of a Disposition and Development Agreement between the City and the Bernal Heights Community Foundation, a California nonprofit public benefit corporation. The Disposition and Development Agreement contains certain conditions that the Bernal Heights Community Foundation would be required to satisfy before execution of an actual lease agreement for any future development. The provisions of any future lease agreement concerning development of the proposed site would require separate approval by the Board of Supervisors.

**Location:** Intersection of Alemany Boulevard and Putnam Street comprising City blocks 5731, 5732, 5733, 5733-A (Lot 1) and 5734 (Lot 1) and commonly known as the Farmer's Market. That portion of the property that would be developed pursuant to the proposed Agreement is known as the "Housing Site" and is shown in the Attachment to this report.

**Term:** 99 years upon completion of the developer's predisposition requirements.

**Annual Rent:** Not yet determined. As stated in the Agreement, "Rent due the City from the developer during the term of the Lease shall be in sufficient amount as to justify the City entering into the Lease, taking into account all social and financial benefits that will be provided to the City by the proposed housing development, but in no event greater than an amount which is feasible for the housing development as indicated by the Financing Plan approved by the City's Director of Property and the Director of the City's Mayor's Office of Housing pursuant to Section 2.06 above."

**Description:** The purpose of this proposed Disposition and Development Agreement is to specify the conditions under which a lease of City property may be entered into between the City and the developer, the Bernal Heights Community Foundation. The San Francisco Farmers Market currently occupies the property.

The proposed Disposition and Development Agreement would obligate the City to enter into a long-term lease agreement with the Bernal Heights Community Foundation for development of the property if all the conditions contained in Article 2 of the Disposition and Development Agreement,

"Developer Pre-disposition Requirements," are satisfied, as determined by the City. The developer would construct approximately 120 affordable housing units.

The developer's failure to satisfy any of the conditions would relieve the City of any obligation to enter into the lease.

Salient provisions of the proposed Disposition and Development Agreement are as follows:

1. The developer has submitted a preliminary proposal to the Mayor's Office of Housing for the development of the Housing Site. That document proposes the subdivision of the property to develop a low and moderate income housing development on a portion of the property, consisting of not more than 120 units. The exact configuration and legal description of the site would be determined based upon the design of the housing development, and would be specified by a subdivision or parcel map to be filed after design of the housing development is complete. The portion of the property that is not part of the Housing Site will be retained by the City for use and operation of the Farmers Market.

2. As conditions precedent to the closing of any future lease agreement, the developer would be required to meet the following conditions within three years of the date of this proposed Agreement or the Agreement may be terminated.

a. Site Inspection. In the event that the developer determines, based on any inspections or testing performed, that the property is not suitable for the development of the housing development, the developer may terminate the Agreement.

b. Subdivision Approval A subdivision or parcel map subdividing the property into the Housing Site and the Farmers Market Site based on the schematic plans for the housing development, and subject to approval by the City, would be required.

c. Environmental Review. The developer would submit to the City an Environmental Evaluation of the housing development. Depending on the determination of the City based on the Environmental Evaluation, the developer would agree to cooperate with the City in the preparation of an Environmental Impact Report or a Negative Declaration.

d. City and Other Governmental Approvals. The developer would obtain any additional City or other governmental permits or approvals (other than a building permit) necessary for construction, ownership and operation of the housing development.

e. Financing Plan. The developer would submit for approval by the City's Director of Property and the Director of the Mayor's Office of Housing a Financing Plan evidencing the availability of the funds necessary to construct the housing development.

f. Building Permit. The developer would obtain issuance of a building permit from the City allowing the construction on the Housing Site of the housing development.

3. During the term of the Lease, the developer would use the Housing Site only for the development, construction, and operation of the housing development, and other ancillary uses including but not limited to child care and neighborhood-serving retail.

4. The developer would make available for occupancy one-third of the total number of housing units to Lower Income Households (as defined below) at Affordable Housing Costs (as defined below). The developer would make available for occupancy two-thirds of the total number of housing units to Very Low Income Households (as defined below) at an Affordable Housing Cost.

5. Lower Income Households would mean households with incomes not exceeding 80 percent of the median income for the San Francisco Standard Metropolitan Statistical Area. Very Low Income Households would mean households with incomes not exceeding 50 percent of Median Income. "Affordable Housing Cost" would mean monthly rental payments equal to one-twelfth of 30 percent of the applicable income limit, adjusted for household size, less a utility allowance, if the housing development is a rental project; and if the project is a for-sale project, monthly mortgage payments, based on interest rates actually available to the purchasing household, which do not exceed one-twelfth of 35 percent of the applicable income limit adjusted for household size, assuming a five percent down payment on the purchase price.

6. The required number of units to be available for occupancy by Lower Income Households and Very Low Income Households shall be occupied and remain affordable to Lower Income Households and Very Low Income Households for a period of 50 years from the date upon which 50 percent of the units in the housing development are initially occupied.

7. The developer would be required to avoid interference with the operation of the Farmers Market during construction or operation of the housing development. The housing development parking facility and traffic control would be designed to complement operation of the Farmers Market.

Comments:

1. As previously stated, approval of the Disposition and Development Agreement would obligate the City to enter into a long-term lease agreement with the Bernal Heights Community Foundation for development of the proposed Housing Site, with the provision that all conditions precedent contained in the "Developer Pre-disposition Requirements" article of the Disposition and Development Agreement are satisfied, as determined by the City, before execution of the actual lease agreement.

2. According to Mr. Joe La Torre of the Mayor's Office of Housing, the current median income for a family of four in the San Francisco Standard Metropolitan Statistical Area (SMSA) is $45,600. Computations of Affordable Housing Costs for Lower Income Households (not exceeding 80 percent of the median income) and for Very Low Income Households (not exceeding 50 percent of median income) for both rental units and purchased units are shown on the following page.

San Francisco Standard Metropolitan Statistical Area
Median Income (Family of Four): $45,600
Affordable Housing Costs

| Very Low Income (50 percent of Median) | | Low Income (80 percent of median) |
|---|---|---|
| $45,600 | Median Income | $45,600 |
| 80% | Income Category Factor | 50% |
| $36,480 | Max.Income | $22,800 |
| $912 | Max.Monthly Rental Payments[1] | $570 |
| $1,064 | Max.Monthly Mortgage Payments[2] | $665 |

[1] One-twelfth of 30 percent of the applicable income limit, less a utility allowance.

[2] One-twelfth of 35 percent of the applicable income limit, assuming a five percent down payment on the purchase price.

However, Mr. Mark Trotz of the Mayor's Office of Housing reports that the Board of Directors of the Bernal Heights Community Foundation plans to rent all of the units.

3. According to Mr. Trotz and Mr. Steve Legnitto of the Real Estate Department, there would be no displacement or disruption of the Farmers Market operation either during development or operation of the proposed housing development.

4. Mr. Trotz reports that the Bernal Heights Community Foundation has been granted a $75,000 pre-development loan from the City-wide Housing Development Fund, a fund administered jointly by the Redevelopment Agency and the Mayor's Office of Housing. Mr. Trotz also reports that the major sources of funding for the development project are as follows:

a. State Rental Housing Construction Program

b. Syndication of Federal Low-Income Housing Tax Credits

c. The San Francisco Redevelopment Agency (Loan of approximately $1.5 million)

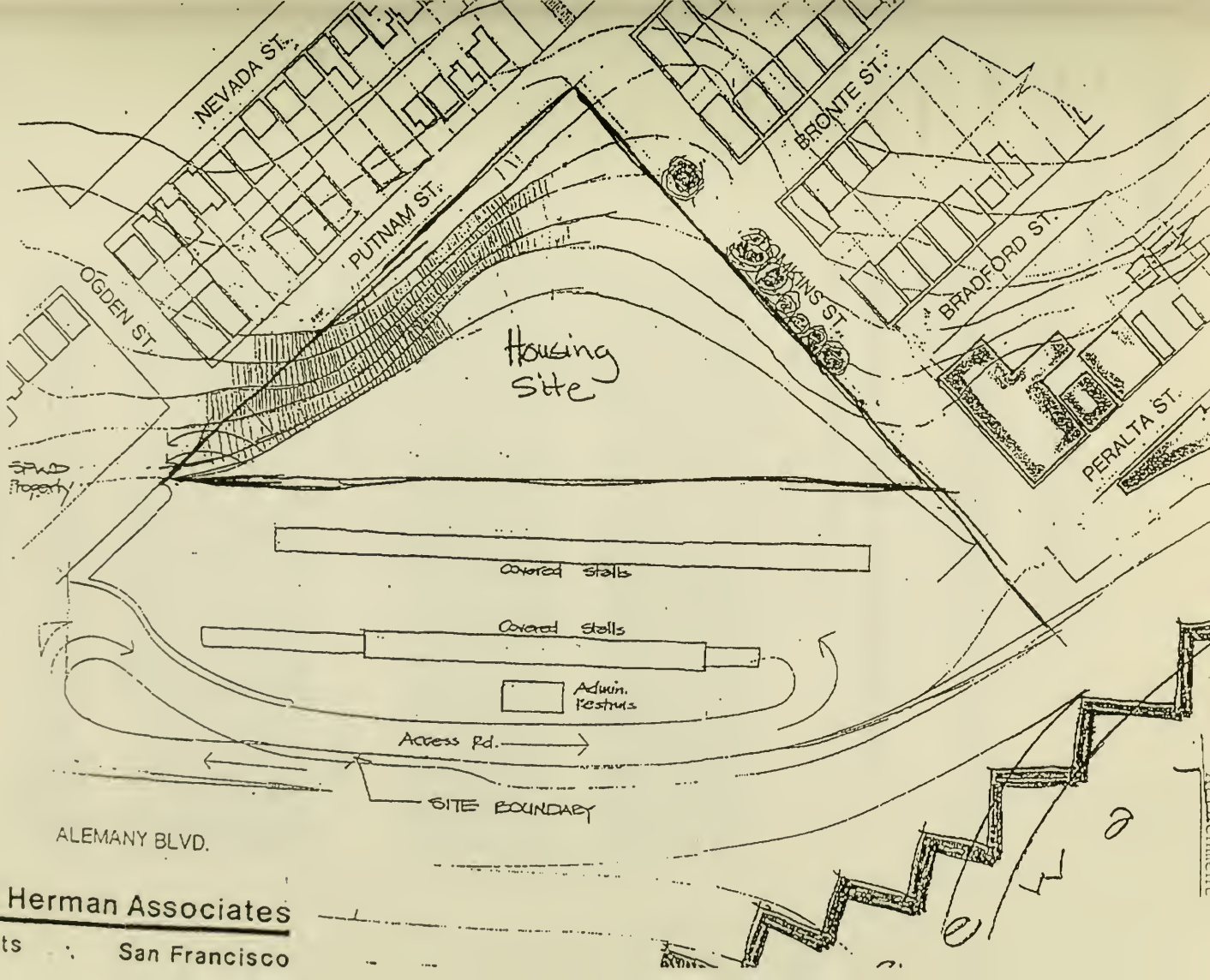
5. As previously noted, the annual rent due to the City has not yet been determined. Mr. Trotz further reports that revenues accruing to the City from any future lease of the proposed Housing Site would be deposited in a fund administered by the Agricultural Commissioner and not into the General Fund. Mr. Evan Weeth, the City's Agricultural Commissioner, reports that revenues from any future lease of the proposed Housing Site would be used to improve the existing Farmers Market.

6. Mr. Trotz reports that the Bernal Heights Community Foundation has previously developed low and moderate income housing in the City. Those developments include the Coleridge Park development of 49 units in the Mission District and Holiday Homes, a four-unit cooperative apartment development in Bernal Heights.

7. According to Mr. Roger Herrera of the Department of City Planning, the Residence Element of the City's Master Plan calls for the annual development of 1,373 additional units of very low and low income housing units. Mr. Trotz reports that during each of the past three years, approximately 800 units of new or rehabilitated housing units have been developed.

8. The City Attorney has determined that Master Plan approval is not required as a condition to the City's execution of the Agreement, but that such approval would be required before the City's execution of the lease.

**Recommendation:** The decision whether to authorize and approve a Disposition and Development Agreement between the City and the Bernal Heights Community Foundation, which would obligate the City to enter into a long-term lease for an undetermined amount of rent for development of the Farmers Market property, is a policy decision for the Board of Supervisors.




Robert Herman Associates

Architects : San Francisco

Item 11- File 146-90-77

**Department:** Department of Public Health (DPH)
AIDS Office

**Item:** Resolution authorizing DPH to apply for, accept and expend the continuation of a State grant.

**Amount:** $2,735,026

**Source of Grant:** State Department of Health Services, Office of AIDS

**Term:** July 1, 1990 through June 30, 1991

**Project:** Master Grant Agreement

**Description:** The proposed State grant funds would provide for the second year funding of a Master Grant Agreement between the State Office of AIDS and DPH. The Master Grant Agreement was established by the State Office of AIDS in February 1989 to consolidate the City's various AIDS-related programs. The programs which are now under this umbrella agreement, were previously funded independently through the State Office of AIDS.

Under the Master Grant Agreement, the proposed grant funds would provide for the following six programs: (1) Alternative Test Sites; (2) Early Intervention Program; (3) Block Grant Funding; (4) Education and Prevention; (5) Pilot Care Projects; and (6) Residential AIDS Shelters. DPH would be responsible for administering the grant funds for the six programs. The program descriptions and budget details for the six programs are as follows:

Alternative Test Sites $509,124

DPH lab personnel would provide anonymous AIDS antibody testing and provide the State Office of AIDS with monthly updates regarding test results. DPH would also contract with the University of California, San Francisco (UCSF), AIDS Health Project to provide services such as informing test applicants on the test's reliability, pre-testing and post-testing counseling, some lab testing and making appropriate client referrals. The proposed grant funding would provide for approximately 11,000 AIDS antibody tests.

DPH selected UCSF AIDS Health Project though the Department's Request for Proposal process. The proposed budget for the Alternative Test Sites program is as follows:

| | | |
|---|---|---|
| DPH- Personnel | | |
| Salaries (2.75 FTE) | $111,284 | |
| Fringe Benefits (@ 27%) | 30,048 | |
| Subtotal Personnel | | $141,332 |
| Operating Expenses | | |
| Materials/ Supplies | 40,000 | |
| Facilities/ Space | 20,944 | |
| Leasing MIS Services (includes computer services to track test results) | 16,000 | |
| Other | 4,000 | |
| Subtotal Operating Expenses | | 80,944 |
| Contractual Services | | |
| UCSF AIDS Health Project | | 264,591 |
| Indirect Costs (20% of DPH-Salaries) | | 22,257 |
| Total | | $509,124 |
| **Early Intervention Program** | | **$300,000** |

DPH would contract with the Mission Neighborhood Health Center for the provision of direct Early Intervention Program services. These services would include maximizing the health and productivity of HIV positive persons through medical evaluations, laboratory monitoring, psychological support, case management, follow-up and referral for out of clinic services. The proposed grant funding would provide services to approximately 125 HIV positive persons.

DPH would contract with the Mission Neighborhood Health Center on a sole source basis, due to the need for continuity and the uniqueness of the services provided. According to DPH, the administrative oversight functions of the Early Intervention Program would be provided by a Hospital Administrator (1.0 FTE) which is funded through Federal grant monies. The proposed budget for the contractual services of the Mission Neighborhood Health Center for the Early Intervention Program is as follows:

Contractual Services - Mission Neighborhood Health Center

| | | |
|---|---|---|
| Personnel | | |
| Salaries (4.08 FTE) | $166,681 | |
| Fringe Benefits (@ 27%) | 44,946 | |
| Subtotal Personnel | | $211,627 |
| Operating Expenses | | |
| Travel | 1,500 | |
| Materials/ Supplies | 11,250 | |
| Other (Lab Services) | 50,871 | |
| Subtotal Operating Expenses | | 63,621 |
| Indirect Costs (11.7% of Personnel) | | 24,752 |
| Total | | $300,000 |
| **Block Grant Funding** | | **$637,700** |

Under the Block Grant Funding, DPH's AIDS Office would provide technical management assistance to a variety of AIDS Office programs which receive primarily local and Federal funding. This assistance includes allocating funds, developing contracts, budget coordination, invoicing documents, conducting evaluations and data entry. In addition, DPH would provide additional lab support to various AIDS agencies which require testing. The proposed grant funds would also fund a survey to be conducted by the San Francisco City Clinic located at 356-7th Street. The survey would target young gay/bisexual males to estimate risk behaviors, the prevalence of HIV infection and the level of knowledge about AIDS.

In addition, the proposed grant funds would provide for the purchase of a computer. The proposed acquisition of the computer has been reviewed and approved by the Electronic Information Processing Steering Committee (EIPSC). The proposed budget for the Block Grant Funding program is as follows:

| | | |
|---|---|---|
| DPH- Technical Assistance | | |
| Administrative Salaries (9.5 FTE) | $369,719 | |
| Lab Personnel (3.0 FTE) | 101,895 | |
| Fringe Benefits (26% of Personnel) | 122,620 | |
| Subtotal Personnel | | $594,234 |
| Operating Expenses | | |
| Computer | 5,000 | |
| Clinical Supplies | 21,466 | |
| Subtotal Operating Expenses | | 26,466 |
| Workorder | | |
| San Francisco City Clinic | | 17,000 |
| Indirect Costs* | | 0 |
| Total | | $637,700 |

**Education and Prevention** **$710,000**

DPH would provide administrative oversight to direct services contracted out through the Bayview Hunters Point Foundation, the Latino AIDS Project, the Women's Institute of Mental Health, the San Francisco AIDS Foundation and a Latino community-based organization known as Curas. DPH would coordinate, direct and monitor the services for each contractor. The proposed grant funded contract-programs would provide information and education services to approximately 13,145 targeted individuals including gay and bisexual males, IV drug users, ethnic minorities and health service providers. The program services provided would increase client's awareness about AIDS transmission and prevention through group and individual AIDS and risk reduction counseling.

DPH would contract with the Women's Institute of Mental Health on a sole source basis, due to the uniqueness of services provided to the specific target population of female substance abusers. DPH selected the Bayview Hunters Point Foundation, the Latino AIDS Project the San Francisco AIDS Foundation and Curas though the Department's Request for Proposal process. The proposed budget for the Education and Prevention program is as follows:

* Since the Block Grant Funding involves primarily administrative functions, the State Office of Aids does not allow DPH to include indirect costs.

| | | |
|---|---|---|
| DPH Personnel | | |
| Salaries (2.50 FTE) | 89,372 | |
| Fringe Benefits (@ 27%) | 24,130 | |
| Subtotal Personnel | | $113,502 |
| | | |
| Contractual Services | | |
| - Bayview Hunters Point | | $327,150 |
| - Latino AIDS Project | | 68,638 |
| - Women's Institute of Mental Health | | 46,348 |
| - Curas | | 39,790 |
| - San Francisco AIDS Foundation | | 103,222 |
| Subtotal Contractual | | 585,148 |
| | | |
| Indirect Costs(10% of DPH- Personnel) | | 11,350 |
| | | |
| Total | | $710,000 |
| | | |
| **Pilot Care Projects** | | **$497,612** |

DPH personnel would provide direct services and assist in monitoring and directing the Pilot Care Projects. In addition, DPH would subcontract with Presbyterian Pacific Medical Center's Visiting Nursing and Hospice of SF to provide direct support services to AIDS patients and patients diagnosed with AIDS-related complex (ARC). ARC patients are persons who have tested positive for HIV infection, but who have not been completely diagnosed with AIDS. DPH's public health nurses, along with Presbyterian Pacific Medical Center's Visiting Nursing and Hospice of SF, would provide case management and home and community-based care coordination for people with AIDS and Arc. The proposed grant funding would provide services to approximately 336 people with AIDS and ARC.

DPH would contract with Presbyterian Pacific Medical Center's Visiting Nursing and Hospice of SF on a sole source basis, due to the need for continuity and the uniqueness of the services provided. The proposed budget for the Pilot Care Projects is as follows:

| | | |
|---|---|---|
| DPH- Personnel | | |
| Salaries (7.0 FTE) | $306,950 | |
| Fringe Benefits (@ 27%) | 82,877 | |
| Temporary Positions | 976 | |
| Subtotal Personnel | | $390,803 |
| Operating Expenses | | |
| Travel (local) | 4,000 | |
| Materials/ Supplies | 2,005 | |
| Other | 255 | |
| Subtotal Operating Expenses | | 6,260 |
| Contractual Services | | |
| Presbyterian Pacific Medical Center | | |
| Visiting Nursing and Hospice of SF | | 61,469 |
| Indirect Costs (10% of DPH- Personnel) | | 39,080 |
| Total | | $497,612 |

**Residential AIDS Shelters** **$80,590**

DPH would contract with Catholic Charities and the Shanti Project for provisions of direct program services. The two contracts with Catholic Charities and the Shanti Project would provide housing and food services for people with AIDS, predominantly women and children. These services would include providing homes to persons with AIDS where they may receive a clean, safe and healthy environment throughout the duration of their residence in these shelters. The proposed grant funds would provide approximately 52 people with food and shelter. According to DPH, these shelters maintain a minimum of 70 percent occupancy at all times.

DPH would contract with Catholic Charities and the Shanti Project on a sole source basis, due to the need for continuity and the uniqueness of the services provided. According to DPH, the administrative oversight functions of the contracts with Catholic Charities and the Shanti Project would be provided by a Health Program Coordinator III (1.0 FTE) which is funded through Federal grant monies. The proposed individual budgets for the contractual services of Catholic Charities and the Shanti Project are as follows:

| | | |
|---|---|---|
| Contractual Services - Catholic Charities | | |
| Personnel | | |
| Salaries (1.0 FTE) | $23,820 | |
| Fringe Benefits (@ 20%) | 4,764 | |
| Subtotal Personnel | | $28,584 |
| Operating Expenses | | |
| Facility Improvements | $2,392 | |
| Utilities | 2,714 | |
| Food | 2,812 | |
| Facility Maintenance | 1,800 | |
| Subtotal Operating Expenses | | 9,718 |
| Indirect Costs (15% of Personnel) | | 4,288 |
| Subtotal Catholic Charities | | $42,590 |
| Shanti Project | | |
| Personnel | | |
| Salaries (0.6 FTE) | $16,517 | |
| Fringe Benefits (@ 20%) | 3,303 | |
| Subtotal Personnel | | $19,820 |
| Operating Expenses | | |
| Rental of Facility | 7,965 | |
| Materials | 669 | |
| Facility Maintenance | 3,870 | |
| Utilities | 2,000 | |
| Telephone | 703 | |
| Subtotal Operating Expenses | | 15,207 |
| Indirect Costs (15% of Personnel) | | 2,973 |
| Subtotal Shanti Project | | $38,000 |
| Total | | $80,590 |

**Required Match:** None

**Comments:** 1. Mr. Tim Piland of DPH reports that DPH initially received $2,756,926 for the 1989-90 Master Grant Agreement and later received an additional supplemental grant amount of $232,954 making a total amount of $2,989,880, available under the 1989-90 Master Grant Agreement. Mr. Piland reports that DPH will receive an additional supplemental grant amount to the currently proposed 1990-91 grant allocation of $2,735,026. However, the amount of the supplemental grant amount is unknown at this time.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. As noted previously, DPH would provide administrative oversight functions to the Early Prevention Program and the Residential AIDS Shelters through Federal grant monies. According to Ms. Maria Lemus of DPH, the Federal government would provide a total amount of $146,338 which consists of $60,373 for DPH's costs to administer the Early Intervention Program and $85,965 for the Residential AIDS Shelters. As of the writing of this report, DPH is unable to provide specific budget details associated with this Federally funded personnel.

3. The proposed State grant includes 24.75 DPH personnel for administrative oversight and direct services. In addition, the Federal grant monies for the Early Prevention Program and the Residential AIDS Shelters includes 2.0 additional DPH personnel. According to Ms. Lemus, the six grant programs require the assistance of these DPH personnel for direction and oversight, as well as the direct services DPH provides. Ms. Lemus states that should the State and associated Federal grant funding be discontinued, the programs would not continue and the grant funded positions would be eliminated. However, Ms. Lemus adds that the State indicates that San Francisco test results will be used as models throughout the State and that these AIDS State grant funds are anticipated to continue.

4. According to Mr. Piland, the proposed total grant amount of $2,735,026, is a direct allocation by the State to DPH and therefore does not require an application by the City. Therefore, the proposed resolution should be amended to delete the apply for clause.

5. Ms. Lemus reports these grant funded services have been effective since July 1, 1990. Therefore the proposed resolution should be amended to authorize DPH to accept and expend State grant funds retroactively.

6. Attached is the Health Commission's two-page "Summary of Grant Request" as prepared by DPH for the State grant fund.

**Recommendation:** 1. Amend the proposed resolution to delete the apply for clause.

2. Amend the proposed resolution to authorize DPH to accept and expend State grant funds retroactively

3. Approve the proposed resolution as amended.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

Item No. _____ Hea Commission - Summary of Gra Request

Rev. 4/10/90

Grantor Department of Health Services
Contact Person Office of AIDS
Address 714/744 P Street
Sacramento, CA 94234-7320

Division CO/Admin
Section AIDS Office
Contact Person Maria Lemus
Telephone 554-9019

Amount Requested $ 2,735,026
Term: From 7/1/90 To 6/30/91
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Application Deadline _____
Notification Expected _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of $2,735,026 from the period of 7/1/90 to 6/30/91 to provide _____ services.

II. Summary: (Concise, brief; need addressed; number + groups served; services and providers)
The Master Grant Agreement is a contracting mechanism used by the State Office of AIDS as an umbrella agreement for grants awarded in several different categories. Attachment I describes the programs funded under each individual grant category.

III. Outcomes/Objectives:
The 1990-91 MGA seeks to maintain the testing, early intervention, education, prevention, residential shelter, and home and community based care services provided by the AIDS Office to persons with AIDS and other residents of San Francisco.

IV. Effects of Reduction or Termination of These Funds:
The reduction or termination of these funds would seriously undermine the well-being of persons with AIDS in San Francisco.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | | 2,756,926 | 2,735,026 | ( 21,900) | | |
| Personnel | | | | | | |
| Equipment | | SEE ATTACHMENT | | | | |
| *Contract Svc. | | | | | | |
| Mat. & Supp. | | | | | | |
| Facilities/Space | | | | | | |
| Other | | | | | | |
| Indirect Costs | | | | | | |
| VI. Data Processing (costs included above) | | | | | | |
| VII. Personnel | | | | | | |
| F/T CSC | | | | | | |
| P/T CSC | | | | | | |
| Contractual | | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

*VIII. Contractual Services: Open Bid X Sole Source X (If sole source, attach Request for Exemption Form)

Master Grant Agreement
1990-1991
Budget Summary

| BUDGET CATEGORY | ATS | EIP | PILOT | RAS | PREV/ED | BLOCK | TOTAL |
|---|---|---|---|---|---|---|---|
| Personnel | 141,332 | 0 | 390,803 | 0 | 113,502 | 594,234 | $1,239,871 |
| Equipment | 0 | 0 | 0 | 0 | 0 | 5,000 | $ 5,000 |
| Contractual Services | 264,591 | 300,000 | 61,469 | 80,590 | 585,148 | 1,500 | $1,293,298 |
| Materials & Supplies | 40,000 | 0 | 500 | 0 | 0 | 25,666 | $ 66,166 |
| Facilities/ Space | 20,944 | 0 | 0 | 0 | 0 | 0 | $ 20,944 |
| Other | 20,000 | 0 | 5,760 | 0 | 0 | 11,300 | $ 37,060 |
| Indirect | 22,257 | 0 | 39,080 | 0 | 11,350 | 0 | $ 72,687 |
| TOTAL | 509,124 | 300,000 | 497,612 | 80,590 | 710,000 | 637,700 | $2,735,026 |

Item 12 - File 146-90-78

| | |
|---|---|
| **Department:** | Department of Public Health (DPH)<br>Community Public Health Services |
| **Item:** | Resolution authorizing DPH to apply for, accept and expend a continuation Federal grant. |
| **Amount:** | $1,383,101 |
| **Source of Grant:** | U.S. Department of Health and Human Services,<br>Centers for Disease Control (CDC) |
| **Grant Period:** | January 1, 1991 through December 31, 1991 |
| **Project:** | Sexually Transmitted Disease (STD) Control Program |
| **Description:** | The proposed funds would be used for the surveillance and control of sexually transmitted diseases among individuals between the ages of 15-45, who are at the highest risk of developing adverse reproduction consequences as a result of contracting a sexually transmitted disease. Located at the San Francisco City Clinic, the STD Control Program would provide diagnostic, treatment and epidemiological services for a variety of sexual transmitted diseases including penicillin-resistant Gonorrhea, Chlamydia and AIDS. The STD Control Program will place particular emphasis on Syphilis, infectious Congenital Syphilis, Chancroid and HIV partner notification. |
| **No. of People Served:** | 31,000 patient visits |

**Grant Budget:**

| Salaries - DPH | FTE | | |
|---|---|---|---|
| Management Assistant | 1.0 | $39,176 | |
| Senior Disease Control Investigator | 1.0 | 36,300 | |
| Principal Disease Control Investigator | 1.0 | 42,720 | |
| STD Disease Control Investigators | 6.0 | 207,804 | |
| HIV and Syphilis Disease Control Investigator | 1.0 | 38,994 | |
| Senior Clerk Typist | 1.0 | 29,988 | |
| Clerk Typist | 5.5 | 140,817 | |
| Sr. Physician Specialist | 0.5 | 43,733 | |
| Epidemiologist II | 1.0 | 47,736 | |
| Computer Systems Manager | 1.0 | 46,374 | |
| Team Leader- Peer Advocate | 1.0 | 23,505 | |
| Peer Educator | 1.0 | 20,814 | |
| Subtotal Salaries | 21.0 | $717,961 | |
| Overtime | | 500 | |
| Fringe Benefits (@ 26%) | | 188,230 | |
| Total Salaries - DPH | | | $906,691 |

| Supplies | | |
|---|---|---|
| Gonorrhea Tests (50,000 tests @ $.50) | $25,000 | |
| Chlamydia Tests (18,000 tests @ $4.25) | 76,500 | |
| HIV and Syphilis Tests | 1,900 | |
| Computer Supplies | 3,000 | |
| Office Supplies | 2,000 | |
| Lab Supplies | 4,500 | |
| Subtotal Supplies | | 112,900 |

| | | |
|---|---|---|
| Educational Materials /Outreach | | |
| Educational videos | $1,400 | |
| Pamphlets/ brochures | 7,706 | |
| Posters | 2,010 | |
| Slide developing | 500 | |
| Safer Sex packets (includes lubricated condoms, safe sex cards, instructional cards and manila envelopes) | 29,400 | |
| Advertising (includes radio and printed ads) | 11,305 | |
| Printing Costs for City Clinic informational brochures | 24,000 | |
| Miscellaneous (includes condom models, reference cards and training materials) | 2,800 | |
| Subtotal Educational Materials/Outreach | | $79,121 |
| Equipment (3 desks, 3 chairs and 3 locked file cabinets) | | 1,000 |
| Training and Travel | | |
| Federal Conferences | $3,795 | |
| Out of State Conferences | 8,980 | |
| Mileage (250 x .25/mi.x 7 staff x 12 mos.) | 5,250 | |
| Auto Usage ($40 x 6 mos. x 7 staff plus $45 x 6 mos. x 7 staff) | 3,570 | |
| Parking ($48/mo. x 7 staff x 12 mos.) | 4,032 | |
| Lab Support Training | 1,390 | |
| Computer Training | 3,420 | |
| Staff Training Workshops (10 staff @ $100 x 3 workshops) | 3,000 | |
| Subtotal Training and Travel | | 33,437 |

| | | |
|---|---|---|
| Contractual Services | | |
| Computer Programming Support (DM Information Systems, Inc.) | | 25,000 |
| Other Operating Expenses | | |
| Two Federal Telecommunications Systems Lines (reduced flat rates for long distance calls @ $85/mo.) | $1,020 | |
| Fax Machine | 1,200 | |
| Two Parking Spaces | 2,040 | |
| Five Radio Pagers | 1,500 | |
| HIV and Syphilis Study Term Purchase Agreement with UCSF Chlamydia Lab for Tests | 45,000 | |
| Term Purchase Agreement with Damon Lab for glucose testing | 2,000 | |
| Term Purchase Agreement with Linde Gas to purchase liquid nitrogen to ship specimens | 600 | |
| Photocopying, Postage and Telephone | 4,163 | |
| Rent | 4,500 | |
| Participation Fees for HIV and Syphilis Study | 19,000 | |
| Computer Maintenance | 1,000 | |
| Copymachine Maintenance | 500 | |
| Miscellaneous (language translators and translators for the deaf at approximately $50/hr,refreshments for training sessions, etc.) | 3,000 | |
| Subtotal Other Operating Expenses | | $85,523 |
| Subtotal Grant Budget | | $1,243,672 |
| Indirect Costs (20% of Salaries) | | 139,429 |
| Total Grant Budget | | $1,383,101 |

**Required Match:** None

**Comments:**

1. DPH would contract with DM Informations Systems, Inc. on a sole source basis for consultation and program support services for the STD Control Program's existing computer information system in the amount of $25,000. DM Information Systems, Inc. is neither a MBE or WBE firm. Ms. Wendy Wolf of DPH reports that DM Information Systems, Inc. specifically developed, installed and modified the computer programs for the STD Control Program. Therefore, DM Information Systems, Inc. has a unique knowledge of the program's computer system needs and is thoroughly familiar with the current system's equipment, programming and problems. DM Information Systems, Inc. would provide approximately 333 hours at an hourly rate of $75 for a total contract fee of $25,000.

2. As previously noted, two Federal telecommunications system lines are included in the proposed grant budget. Ms. Wendy Wolf reports that the STD Control Program would be in daily contact with the Centers for Disease Control and that the two Federal telecommunication system lines will result in a reduction in long distance telephone rates. Ms. Wolf adds that two parking spaces are included in the proposed grant budget in order to provide safe parking for two City vehicles used in the STD Control Program.

3. According to Ms. Wolf, the five radio pagers included in the proposed budget are necessary to immediately reach four staff members who work in the field and to contact the messenger used for the Gonorrhea and Chlamydia testing.

4. Ms. Wolf explains that a HIV and Syphilis study is part of the grant requirements imposed by the Centers for Disease Control. The $19,000 in participation fees identified in the proposed budget includes $14,000 ($140/participant x 100 participants) for study visits and $5,000 ($100/participant x 50 participants) for spinal taps.

5. The proposed budget also includes lab services for the HIV and Syphilis study which would be provided by UCSF, Damon Lab and Linde Gas. These lab services would be provided on term purchase agreements, which allows the lab services provided to be charged on a per test basis. Ms. Wolf estimates that 190 tests ($450 x 100 tests for UCSF, $40 x 50 tests for Damon Lab and $15 x 40 specimens for Linde Gas) would be run for the 1991 year. Due to the unique nature of the tests required, this would be the second year of term purchase agreements with UCSF and Linde Gas. Ms. Wolf adds that this would be the first term purchase agreement to purchase liquid nitrogen in order to ship specimens. The term purchase agreement with Damon Lab was selected through DPH's competitive bidding process.

6. Ms. Wolf reports that the proposed grant allocation would fund the purchase of equipment (3 desks, 3 chairs and 3 locked file cabinets) that was not included in the 1990 grant allocation.

7. The proposed $1,383,101 in grant funds represents an increase of $267,540 over the 1990 grant amount of $1,115,561. Ms. Wolf reports that the total DPH staffing for this grant has increased from 17 full-time and two part-time employees (18 FTEs) in 1990 to the proposed 20 full-time and two part time employees (21 FTEs) in 1991. DPH has requested the addition of a Management Assistant to prepare and administer contracts, requests for proposals and program reports and a Senior Clerk Typist to assist primarily in the preparation of grant and special requests. Ms. Wolf adds that a Computer Systems Manager was also included in the 1991 budget in order to increase the efficiency in operations of the STD Control Program. Ms. Wolf states that the STD Control Program has been Federally funded for over 20 years and that funding is anticipated to continue.

8. Ms. Wendy Wolf reports that due to administrative delays, DPH has already applied for this Federal grant fund. Therefore the proposed resolution should be amended to authorize DPH to apply for Federal grant funds retroactively.

9. Attached is the Health Commission's "Summary of Grant Request" prepared by DPH for the continuation of this Federal grant.

**Recommendation:** Amend the proposed resolution to authorize DPH to apply for Federal grant funds retroactively and approve the proposed resolution as amended.

Item No. _____ **Health Commission - Summary of Grant Request** Rev. 4/10/90

Grantor: Centers for Disease Control
Contact Person: Clara Jenkins
Address: 255 E. Paces Ferry Rd. N.E. Atlanta, Ga. 30305

Division: CPHS/Communicable Disease
Section: STD Control
Contact Person: Wendy Wolf
Telephone: 864-8100

Amount Requested: $ 1,383,101
Term: From 1/1/91 To 12/31/91

Application Deadline: 9/7/90
Notification Expected: 10/31/90

Health Commission _____ Board of Supervisors: Finance Committee _____ Full Board _____

I. Item Description: (Circle appropriate words)
Request to (apply for) (accept and expend) a (new) (continuation) (modification) (augmentation to a) grant in the amount of $ 1,383,101 from the period of 1/1/91 to 12/31/91 to provide STD control services.

II. Summary: (Concisely: need addressed; number + groups served; services and providers)
Continuation funds to provide for the surveillance, investigation and treatment of a variety of sexually transmitted diseases (STD) with an emphasis on infectious syphilis, congenital syphilis, chancroid and HIV partner notification.

III. Outcomes/Objectives:
To reduce the overall incidence of STD, with a focus on high risk minorities
To decrease the number of repeat STD visits (more than 1 visit in 12 months) by 10%
To establish and maintain an active surveillance system for all STD

IV. Effects of Reduction or Termination of These Funds:
San Francisco has some of the highest STD rates in the nation. In 1990, syphilis rates skyrocketed, particularly in the black community. Without this funding STD services would need to be curtailed, and we would be unable to effectively monitor and respond to disease outbreaks.

V. Financial Information:

| | Col. A Two Years Ago | Col. B Past Year/Orig. | Col. C Proposed | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| Grant Amount | 1,001,233 | 1,115,561 | 1,383,101 | +267,540 | | |
| Personnel | 558,916 | 751,061 | 906,691 | +155,630 | | |
| Equipment | 40,475 | 0 | 1,000 | + 1,000 | | |
| *Contract Svc. | 44,150 | 52,212 | 25,000 | - 27,212 | | |
| Mat. & Supp. | 82,118 | 111,944 | 192,021 | + 80,077 | | |
| Facilities/Space | 0 | 0 | 0 | 0 | | |
| Other | 188,920 | 90,160 | 118,960 | + 23,880 | | |
| Indirect Costs | 86,654 | 110,187 | 139,429 | + 29,242 | | |
| VI. Data Processing (costs included above) | 31,475 | 0 | 0 | 0 | | |
| VII. Personnel | | | | | | |
| F/T CSC | 11 | 17 | 20 | + 3 | | |
| P/T CSC | 1 | 2 | 2 | 0 | | |
| Contractual | | | | | | |

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
N/A

Will grant funded employees be retained after this grant terminates? If so, How?
No

*VIII. Contractual Services: Open Bid _____ Sole Source X (if sole source, attach Request for Exemption Form)

Item 13 - File 146-90-63.1

**Department:** Department of Public Health (DPH)
Community Public Health Services

**Item:** Resolution rescinding resolution No. 723-90 and authorizing the Department of Public Health to expend a State augmentation grant.

**Amount:** $200,716

**Source of Funds:** State Department of Health Services, Child Health and Disability Prevention Services

**Term:** November 1, 1989 to June 30, 1990

**Project:** Child Health and Disability Prevention (CHDP), Public Health Nursing Enhancement and Prenatal Guidance Program.

**Description:** The Board of Supervisors previously approved a resolution (Resolution No. 723-90) authorizing the DPH to accept and expend a State augmentation grant in the amount of $146,877. The CHDP, Public Health Nursing Enhancement and Prenatal Guidance Program facilitates regular pediatric health screening for Medi-Cal eligible children under 21 and for children, aged 19 or under, in low income families. Information, referral, and outreach services are also provided to families of the children and high-risk pregnant women eligible for Medi-Cal. The $146,877, which represented DPH's estimated expenditures for the CHDP, Public Health Nursing Enhancement and Prenatal Guidance Program, for the period November 1, 1989 to June 30, 1990, was $53,839 less than the $200,716 grant augmentation approved by the State.

In the interim since the Board of Supervisors approved the acceptance and expenditure of the $146,877 grant augmentation, the DPH has determined that the actual expenditures for the CHDP, Public Health Nursing Enhancement and Prenatal Guidance Program totaled $200,716, instead of $146,877. The proposed resolution would rescind Resolution No. 723-90, which authorized expenditure of $146,877 and instead authorize the DPH to expend a State augmentation grant in the amount of $200,716, which reflects the actual expenditures incurred for the CHDP, Public Health Nursing Enhancement and Prenatal Guidance Program.

**No. of Persons Served:** Families of approximately 20,000 children contacted through outreach efforts, and approximately 13,000 children given medical examinations.

**Project Budget:**

| | | |
|---|---|---|
| Personnel | | |
| Salaries (4.35 FTE) | $121,802 | |
| Mandatory Fringe Benefits | 49,750 | |
| Subtotal | | $171,552 |
| Operating Expenses | | |
| Travel | $ 1,200 | |
| Office Supplies | 2,857 | |
| Photo Copying | 1,000 | |
| Health Education Materials | 10,000 | |
| Telephone | 2,000 | |
| Subtotal | | 17,057 |
| Indirect Costs | | 12,107 |
| Total | | $200,716 |

**Indirect Costs:** $12,107, which is approximately 7 percent of personnel costs.

**Required Match:** None

**Comments:**

1. The $200,716 represents an augmentation to the original State grant, in the amount of $1,141,751, received by the DPH for the CHDP, Public Health Nursing Enhancement and Prenatal Guidance Program. Therefore, the total State grant amount available for the Program for FY 1989-90 was $1,342,467.

2. Since these funds have been previously expended, the proposed resolution should be amended to allow DPH to expend the funds on a retroactive basis.

3. Attached is the "Health Commission - Summary of Grant Request" prepared by the DPH for this State grant.

4. The DPH reports that the State has allocated a total grant amount of $1,575,613 to fund the CHDP, Public Health Nursing Enhancement and Prenatal Guidance Program for FY 1990-91.

**Recommendation:** Amend the proposed resolution to allow DPH to expend the grant augmentation funds on a retroactive basis and approve the proposed resolution as amended.

**BOARD OF SUPERVISORS**
**BUDGET ANALYST**

Attachment

m No. _____ Health Commission - Summary of Grant Request Rev. 4/10/90

antor State Health Dept.
ontact Person Ricardo Morales
ddress 714 P St., Rm. 708
Sacramento, CA 95814
mount Requested $ 200,716
rm: From 11/89 To 6/30/90
ealth Commission _____

Division Family Health
Section Child Health & Disability Preven. (CHDP
Contact Person Mildred Crear
Telephone 558-2403
Application Deadline n/a
Notification Expected Received 11/89
Board of Supervisors: Finance Committee _____
Full Board _____

Item Description: (Circle appropriate words) Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) to a) grant in the amount of $ 200,716 from the period of 11/89 to 6/30/90 to provide Health Education and support services.

Summary: (Content/history; need addressed; number + groups served; services and providers)
There was an increased target population for CHDP of 44,000: children 0 - 18 whose family's income is 200% above Federal poverty level. CHDP must also provide information for smoking cessation and creating a smoke free environment for children.

I. Outcomes/Objectives:
To inform new target population of CHDP eligibility to increase the number of CHDP exams. Promote anti-tobacco health education to provider community.

. Effects of Reduction or Termination of These Funds:
Decrease in service to this high-risk population.

. Financial Information:

| | Col. A Two Years Ago | Col. B /Orig. | Col. C Augmentation | Col. D Change | Req. Match | Approved by |
|---|---|---|---|---|---|---|
| rant Amount | | $1,141,751 | $200,716 | $ 1,342,467 | | |
| ersonnel | | 1,018,826 | 171,552 | 1,190,378 | | |
| quipment | | | | | | |
| ontract Svc. | | | | | | |
| lat. & Supp. | | 9,625 | 17,057 | 26,682 | | |
| acilities/Space | | | | | | |
| ther | | | | | | |
| ndirect Costs | | 104,212 | 12,107 | 116,319 | | |
| I. Data Processing (cost included above) | | | | | | |
| II. Personnel | | | | | | |
| /T CSC | | 13 | 17 | | | |
| /T CSC | | | .35 | | | |
| ontractual | | | | | | |

ource(s) of non-grant funding for salaries of CSC employees working part-time on this grant:
n/a

'ill grant funded employees be retained after this grant terminates? If so, How?
Funding will continue 1990-91.

VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Exemption Form)

Memo to Finance Committee
October 31, 1990

Item 14 - File 100-90-12

1. This item is a hearing on the impact of proposed Federal budget cuts on various City and County of San Francisco programs. As of the writing of this report, the Federal Legislature has passed the Federal budget for 1990-91 and the Federal budget is now before the President for his approval. Therefore, this report is based on preliminary information regarding the effects of the proposed Federal budget cuts.

2. According to the County Supervisors Association of California (CSAC) Washington Representative, two proposed changes in the application of the Social Security tax would affect local jurisdictions. The two proposed changes and the estimated fiscal effects on the City's budget are as follows:

- Increase maximum limit of employees' salaries subject to Medicare tax. Currently the first $51,300 of an employee's salary is subject to the 1.45 percent tax for Medicare included in the 7.65 Social Security Tax paid by the employer. The proposed change would be to raise the $51,300 limit to $125,000. The Controller's Office has not estimated the fiscal impact of this change on the City's budget.

- Mandatory Social Security coverage for all employees not in a retirement system. Currently only permanent City employees are covered by the San Francisco Employees Retirement System. Under the proposed Federal change the 7.65 percent Social Security tax would also have to be paid for temporary City employees. The Controller's Office estimates that this proposed change would cost the City an additional $4 to $5 million annually.

3. The Federal Legislature also proposes a five cents per gallon increase in the federal gas tax from the current nine cents per gallon to a total of 14 cents per gallon effective December 1, 1990. The City uses approximately 10,560,000 gallons of gasoline annually. An additional tax of five cents per gallon would cost the City approximately $308,000 in 1990-91 and $528,000 annually thereafter.

**Comment**

The CSAC Washington Representative reports that other issues in the Federal budget cut package that could have a fiscal impact on the City and County of San Francisco are child care, housing and clean air. Further details of these issues are not available at this time.

Harvey M. Rose

cc: Supervisor Walker
Supervisor Maher
Supervisor Hallinan
President Britt
Supervisor Alioto
Supervisor Gonzalez
Supervisor Hongisto
Supervisor Hsieh
Supervisor Kennedy
Supervisor Nelder
Supervisor Ward
Clerk of the Board
Legislative Policy Analysts
Chief Administrative Officer
Controller
Carol Wilkins
Ted Lakey